FBIS DAILY REPORT

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TEXT OF FOREIGN MINISTRY PROTEST NOTE TO HAIG

PY051719 Buenos Aires International Service in English 1530 GMT 5 May 82

["Text" of "formal protest" by Argentine Foreign Minister Nicanor Costa Mendez to U.S. Secretary of State Haig delivered 2 May]

[Text] I have the honor of addressing Your Excellency for the purpose of making reference to a statement made by you, on behalf of the U.S. Government, on April the 30th last regarding the conflict which has arisen between Argentina and Great Britain in the South Atlantic.

The U.S. secretary of state has made statements and has announced the adoption of measures regarding which the Government of Argentina feels obliged to make the following clarifications:

The attitude adopted by the U.S. Government is surprising as well as most unfriendly. Until a few hours ago the United States acted as a friend of both Argentina and Britain, endeavoring to find a fair and honorable negotiated peace settlement of the conflict. But now, claiming that negotiations have failed, the United States has unilaterally assumed the defense of one of the parties and has endorsed unacceptable sanctions on Argentina with the obvious intention of trying to undermine our determination to achieve victory and to impose on us by force solutions in keeping with the United States' interests in this part of the world.

The U.S. secretary of state has brought to bear on Argentina full responsibility for the failure of negotiations, thus showing up his own incapacity to achieve a peaceful agreement.

The secretary of state makes no mention of the British intransigency nor of the aggressive attitude adopted by that country. It is a matter of indifference to him that, precisely at the time he was making his statements against Argentina, a powerful air and naval force of the United Kingdom was concluding preparations to attack Argentina. To the contrary, the U.S. secretary of state finds it proper to cooperate with theattacking forces, giving them the required material assistance, which is indeed a singular way to cooperate to avoid an escalation of the conflict.

I have no alternative but to reject both the secretary of state's statements as well as the attitude adopted as a consequence of them.

My government can demonstrate that it has made far greater efforts than the United Kingdom in its attempt to reach a peaceful solution.

It has made important concessions and has given evidence of flexibility in all matters, but it cannot, of course, accept that the negotiations should necessarily end in this country's surrender and its renunciation of its most fundamental rights.

Argentina did not reject the proposal made by the U.S. Government. The secretary of state himself, in the course of an interview with me, admitted that Argentina was not expected to accept all terms of the U.S. proposal and that its commentaries would be accepted and considered [words indistinct] consequently forwarded our commentaries a few hours before the U.S. secretary of state made his statement. On that occasion we expressed our readiness to hold further (?detailed talks) and our wish to find a peaceful solution.

The United States adopted its attitude at a time in which the ministers of foreign affairs of hemisphere countries, meeting within the framework of the Inter-American Mutual Assistance Treaty, gave their support to Argentina and called for an immediate cessation of hostilities. It is thus a remarkable fact that the secretary of state should make reference to continental solidarity as one of the basic considerations guiding his conduct, when in reality the attitude which he adopted implies complete concern [as heard] for said basic principles.

The U.S. secretary of state must be perfectly aware of the fact that the position adopted by his government will leave lasting scars in future Argentine-United States relations. The people of Argentina will not understand, nor will they forget, that in one of the most critical moments of their country's history the United States should have preferred to side with the foreign, extra-hemisphere power, cooperating with its aggressive aims, in deep contrast with the expressions of solidarity received by Argentina from almost all countries of the hemisphere and other parts of the world. I do not think that I am acting beyond the scope of my authority if I should add that the attitude adopted by the United States will also seriously affects its relations with the other countries of the Americas.

In view of the foregoing, I wish to present on behalf of the Argentine Government its formal protest for the terms used in the U.S. statement of April the 30th last, which I consider unfriendly and not in keeping with the good relations existing between our two countries at present.

COMMUNIQUE ON ACCEPTANCE OF UN INTERVENTION

PY060305 Buenos Aires TELAM in Spanish 0238 GMT 6 May 82

[Excerpts] Buenos Aires, 5 May (TELAM) -- The Argentine Government has accepted the intervention of the United Nations in order to negotiate a peaceful solution of the conflict with Great Britain over the Malvinas Islands, according to an official communique released here tonight. The communique reads as follows:

1. The Argentine Government reiterates that it is willing to negotiate a peaceful solution to the conflict over the Malvinas, South Georgia and South Sandwich islands.

2. The first step toward a solution must be an immediate cease-fire.

3. Argentina accepts -- because it considers it the most appropriate way -- the UN intervention at this time through the secretary general or the Security Council or through the joint action of the two; and

4. Consequent to this position, the Argentine Government forwarded an answer to the UN secretary general on 5 May 1982, accepting his intervention.

LONDON ANSWERS U.S.-PERUVIAN PEACE PROPOSAL

PY060333 Buenos Aires TELAM in Spanish 0250 GMT 6 May 82

[Text] Washington, 5 May (TELAM) -- British Ambassador Nicholas Henderson late this afternoon presented to U.S. Secretary of State Alexander Haig his government's answer to the Peruvian-U.S. proposal for a cease-fire and the resumption of negotiations.

U.S. State Department sources stated that the negotiations are now in an "intensive and sensitive" stage and that, while the State Department is in contact with the British, the Peruvians are doing the same with Argentina.

Ambassador Henderson remained less than an hour with Haig at the State Department, following the meeting between Haig and Spanish Foreign Minister Jose Perez Llorca.

Bidding farewell to Perez Llorca, Haig declined to comment on the intensive negotiations being carried out, though he indicated that "I believe this is a very sensitive period in the crisis and I do not feel it will do any good to speculate publicly on the situation."

The diplomats who accompanied Ambassador Henderson to the State Department said "We are facing a very intensive period of diplomatic activity."

UK SEES SITUATION IN S. ATLANTIC AS UNFAVORABLE

PY051913 Buenos Aires TELAM in English 1845 GMT 5 May 82

[From transmission "for the British colony on the Malvinas Islands"]

[Text] London, 5 May (TELAM) -- A source close to the British cabinet today judged the balance of military operations in the South Atlantic to be unfavorable to Great Britain, and suggested that it was also draining diplomatic and popular support from the British cause. Information reaching London showed major Argentine losses as consisting of the cruiser General Belgrano, two Mirage jet fighters, and one Canberra bomber. On the British side, losses registered in information publicly available here were nine Sea Harrier jump-jets, three Sea King combat helicopters, the destroyer Sheffield, and serious damage to the aircraft carrier Hermes, along with undetermined damage to the carrier Invincible.

The only British loss of life officially admitted here is that of approximately 30 crewmen of the Sheffield and the pilot of one Harrier, but it has become clear that this is far from the whole story.

The cabinet source evaluated these results as critically unfavorable for the UK, and said that this, plus increasing diplomatic pressure from Britain's allies, has obliged Prime Minister Margaret Thatcher to try to arrange a 48-hour truce in order to re-group British forces and patch up the diplomatic front. The source expressed doubt that such a move would be accepted by the Argentine Government.

Studying Peace Calls

PY051930 Buenos Aires TELAM in English 1835 GMT 5 May 82

[From transmission "for the British colony on the Malvinas Islands"]

[Text] London, 5 May (TELAM) -- Prime Minister Margaret Thatcher called her crisis cabinet into session again this morning and later summoned the full cabinet to review the situation in the South Atlantic following the sinking yesterday of the British destroyer Sheffield by aircraft from the Argentine carrier 26 de Mayo, and the downing of two more Harrier jump-jets by Argentine defenders.

It was understood unofficially that the cabinet would study the advisability of acceding to the now widespread international insistence that Great Britain cease hostilities in the Malvinas area and heed calls to submit to mediation by the United Nations.

Government sources indicated that the cabinet's determination -- if some kind of decision is taken -- would be presented to the House of Commons this afternoon when it meets to consider a resolution presented by 70 Labour MP's calling for a cease-fire. This initiative was generated yesterday when the loss of life in the sinkings of the Argentine cruiser and the British destroyer became known here.

The British Defence Ministry said the Sheffield may have taken as many as 30 British mariners to their death. The extent of Argentine loss of life in the cruiser sinking is not yet known, since survivors are still being picked up from lifeboats. However, only 700-odd of the crew of approximately 1,000 have been rescued so far.

Pym: Urgent Need

PY051921 Buenos Aires TELAM in English 1827 GMT 5 May 82

[From transmission "for the British colony in the Malvinas Islands"]

[Text] London, 5 May (TELAM) -- British Foreign Secretary Francis Pym was quoted by REUTERS today as saying that the losses suffered in the sinking of the British destroyer Sheffield and the Argentine crusier General Belgrano underlined the urgent need to find a diplomatic solution to the dispute over the Malvinas Islands.

Pym gave no indication whether his government would now agree to take the matter to the United Nations, nor did he reveal the British reaction to suggestions presented to the two conflicting parties yesterday by UN Secretary General Javier Perez de Cuellar.

ECONOMY MINISTER OUTLINES EMERGENCY PROGRAM

PY060136 Buenos Aires Domestic Service in Spanish 2330 GMT 5 May 82

[Speech to nation by Economy Minister Roberto Alemann from Buenos Aires 5 May -- recorded]

[Text] The British armed aggression against our territory has provoked an emergency situation which has had an impact on both domestic and international economic relations. That emergency prompted us immediately to adopt precautionary measures as soon as we learned about the recovery of the southern islands on 2 April and of the British economic aggression. Now that the conflict has developed into military action and has attracted the diplomatic attention of all countries of the world, we are undertaking an emergency program to cope with the risks stemming from the conflict and to contribute from the economic sector to make it possible for our armed forces to achieve victory on the military front and for our diplomacy on the international front.

The first priority of any emergency economic program is that of preserving the gold and currency reserves of the Central Bank. Thus, as soon as we learned on 3 April that the British Government had illegally frozen the assets of Argentine residents, we announced that we would not pay the British creditors as long as the freeze on our funds was in force and that we would not tolerate any speculation against the peso. To this end we suspended the sale of foreign currency except for cases involving financial and commercial debts which were firmly due.

Then we responded to the commercial aggression perpetrated against us in clear violation of international treaties by the governments of Great Britain, of some UK-related countries and by the EEC by suspending the issuance of sworn statements on import needs concerning commodities originating in those countries, except for those essential to our economy. Those foreign payments which had been suspended were later authorized, but with foreign bonds to those who might be willing to accept them. Through this emergency measure, we normalized foreign payments without affecting our currency reserves. Foreign bonds are long-term securities issued in dollars listed on the stock exchange and which can be both imported and exported. Thus they can be sold abroad in dollars and in the country in pesos.

As the conflict worsened as a result of British threats and armed attacks, we adopted further measures. Payments abroad of financial and commercial debts with firm due dates should be cleared first with the Central Bank, but this will not affect the timely payment of public debts. Channels for short-term foreign financing are kept open.

Furthermore, we dispatched financial missions abroad and several personalities of the business sector have cooperated patriotically with good will missions aimed at making known the just Argentine cause in the conflict and at securing financial cooperation which would enable us to finance imports and to renegotiate debts. On behalf of the government, I wish to express to them my recognition for their cooperation in defending our interests.

The main objective of the emergency measures was to preserve our monetary reserves so that we could at all times meet our military requirements, our public debts and our imports to guarantee the continuity of our economic activities.

The escalation of military actions and Great Britain's persistent refusal of any agreement which would respect our undisputable sovereignty over the southern islands and seas now forces us to formulate an emergency economic program which supplements the measures adopted earlier and whose major objective is also that of preserving our reserves, but to which is now added the need for the Treasury to raise funds to meet emergency military spending.

Those two objectives will prevail over other objectives that have been taken into account in order to bring the financial market to normal conditions, to increase our exports, particularly manufactured goods, and to revitalize economic activities to generate the resources necessary to meet obligations stemming from the war effort. Exports will be stimulated through a currency devaluation that will increase the foreign exchange rate from 12,000 to 14,000 pesos per dollar. To ensure funds for the war effort we are establishing an emergency additional surcharge of 1,000 pesos per dollar on products already subject to such surcharges. This emergency surcharge will also permit alleviation of the impact of devaluation on internal prices, especially on the prices of foodstuffs.

The increased revenues from products subject to export taxes will serve to meet greater costs and to vie for international markets, a competition that is more difficult in the present circumstances. Exports of manufactured goods will benefit much by the effect of the devaluation. The manufacturers of products based on agricultural raw materials will purchase their raw materials at prices lower than the exchange rate because of the export taxes they are already paying.

Industrial goods additionally will benefit by an increase in refunds ranging from 10 to 14 percent, refunds that will not be subject to taxes on profits. These advantages will be complemented by the additional effect of a moderate decrease in import tariffs. The country's productive activity is well protected by the new exchange rate and the existing tariffs.

In addition, as long as the emergency lasts, no affidavit of need will be certified for nonessential imports except for imports from those Latin American countries that have expressed their solidarity with us. Affidavits for imports will be limited to those that have been accepted for imports over the first 3 months of this year so as to prevent imports for speculative purposes.

Through the combined effect of the three forms of incentives -- in the foreign exchange area with a higher exchange rate, in the fiscal field with increased refunds, and in the area of costs with lower import tariffs -- industrial exports will be able to gain markets, permitting them to revitalize their activities and utilize their productive capacity. Moreover, other tax incentives will remain in force, such as exemption from the value added tax for all kinds of exports, as well as the financial incentives provided through credits granted by the Central Bank.

With these measures we satisfy a legitimate aspiration of Argentine industry, which has been affected by a long recession and burdened by high interest rates. I hope our industralists and merchants will respond to the fiscal sacrifice implied by the incentives now granted by stepping up their efforts to penetrate new markets in the particularly adverse circumstances prevailing toward us in various countries in the wake of the economic aggression injustly directed against us.

Adversity creates the circumstances to exert greater efforts so as to provide the country with the foreign exchange it needs to face the emergency. Much more than personal business situations are at stake; the destiny of the country is at stake at this time as it closes ranks to confront external aggression and girds itself to fight giving no quarter, without flinching.

If we do not strike the nation's flag and do not hoist the white flag of surrender on the battlefield, neither will we do so in the present economic emergency. We have been tempered by the adversities we experienced in recent years, when we had to face up to misunderstandings and aggression from outside. Just as we succeeded at the latter juncture, we should succeed in the present circumstances. The entire nation, in unity, is committed to this struggle, and our businessmen will exert their share of effort to attain victory.

With the announced measures we will cover the external front of our economy while we continue to maintain dialogues with those foreign banks which provide us with financing for our imports and for renegotiating our debts until we are able to overcome this emergency and go back to long-term credits.

The country has not departed from the reputation as a good payer that it has built over a period of more than a century by having always honored its commitments. This is an emergency stemming from external aggression which we are repelling with the conviction that we are defending a just cause: Our legitimate rights.

A military emergency like this one requires funds to finance expenses. Thus far those requirements have been small. We will need more resources to cover further expenditures deriving from the struggle. The emergency export surcharge will meet part of this objective, but it will not be enough.

Therefore, the government has decided to increase gasoline prices by 30 percent to finance military spending. Furthermore, we will increase slightly the rates of internal taxes on cigarettes and certain alcoholic beverages. Pursuant to the same objectives, we will also collect the difference stemming from the new dollar exchange rate from all banks on the basis of the amount of dollars they currently have available and the difference in the price of gasoline from service stations on the basis of what they might have in storage.

These emergency resources will permit us to face the military undertaking confident that we will achieve victory. The entire nation will give its financial contribution to the noble objective of consolidating our territorial integrity and to recover our sovereignty over the South Atlantic islands and seas which had been forcibly usurped from us almost 150 years ago.

The announced measures would be inadequate if they were not supplemented by a far-reaching measure which will ultimately straighten out the national financial system.

The national financial market has been permanently distorted by the system of guaranteed deposits which, with some variations, has been in force since 1946, when it was established under the misleading name of "nationalization of deposits." All financial institutions taking part in this system -- which are mostly Argentine and a few foreign -- are backed by the same guarantor despite the fact any healthy, strong, organized financial system should consist essentially of institutions backed by their own solvency instead of having the state as guarantor.

The system of government-guaranteed deposits allows banking operations which are not in keeping with normal procedures. Financial institutions exclusively offer the Central Bank's guarantee, pay the depositors the highest rates and transfer the cost of these rates and of their profits to borrowers. By operating in this fashion, all rates collected and paid by these institutions tend to rise and to strangle productive activities. We have learned a lesson from the experience we have had in recent weeks. Although the Central Bank has maintained the level of liquidity which had been undermined by withdrawals of deposits prompted by fears, the interst rates have not markedly dropped because there were always financial institutions which were willing to pay high interest rates with the official guarantee.

Without the guarantee, financial institutions will have to offer their depositors their own solvency based on their capital, their sound accounts and their well-managed portfolios, all of which will be instrumental in building their reputation. Consequently, depositors will no longer be attracted to a financial institution by the interest rate alone, but by a combination of its solvency, the interest rate and other services which that institution could provide.

The distortions caused by the official guarantee on deposits also have moral implications, the official guarantees facilitate spurious deals because some unscrupulous financiers can divert the funds of depositors for their personal transactions or even embezzle funds and then flee. Various quite deplorable and even scandalous cases have taken place in recent years, and nothing could be done to avoid them or to prevent future repetitions. Taking abusive advantage of deposits guaranteed by the Central Bank is just too attractive and makes it hard to prevent the appearance of white-collar crooks defrauding the public when the Central Bank responds to the guaranteed deposits and the financial agency lacks the necessary solvency to absorb the inevitable loss. The Central Bank, because of that kind of crooked scheme, has lost billions that were charged to the national treasury, and the country had to pay for the losses with more inflation and general impoverishment. A system that generates high interest rates through the backing of an official guarantee is a system intrinsically weak and facilitates criminality.

The economic and moral health of the nation demands that such a system be done away with for good. The time to eliminate distortions has arrived in the wake of the national emergency the country is experiencing. It cannot be tolerated that, while battle is taking place in the islands and waters of the South Atlantic, white-collar crooks are allowed to operate freely at the expense of the guaranteed deposits, to mechanically transfer huge sums of borrower productive enterprises to depositors through the channel provided by the financial outfits associated with the Central Bank-guaranteed deposits. The interests of depositors in making profits cannot be satisfied by stifling productive activities, taking advantage of a system that proved to be perverse in its operation.

In the face of a problem of such proportions, it is clear that the system of guaranteed deposits must go. As a first measure, the Central Bank has determined to reduce from 90 to 80 percent the guarantee on deposits surpassing 100 million pesos, while deposits up to this sum will continue under the guarantee provided by law. This decision is the first of further reductions on guarantees that will be adopted as soon as possible, thus providing a guarantee only up to 100 million and no guarantee for higher sums.

Of course in all cases deposits guaranteed up to any amount will continue to have a guarantee up to that amount for the term of such deposits. The state will thus live up to its word to the depositors. The reduction of Central Bank guarantees will in each case be applied to new deposits. The full guarantee for deposits up to 100 million pesos safeguards the small savers, who do not have enough information to evaluate for themselves the solvency of any particular financial institution. Deposits higher than 100 million pesos are usually operated by financial professionals, who will be in the position to evaluate the solvency of any particular financial agency and the deals of a different nature those professionals transact with that agency. With the reduced guarantees or without a guarantee, those professionals will seek security through assured solvency and profitable interest rates.

This profound transformation of the financial system will put an end to immoral acts, will tidy up the system and will facilitate the sound growth of large financial enterprises of national capital. To this effect, the official and foreign banks will abstain for a prudential period from increasing their deposits, thus reestablishing the equality of opportunities which otherwise will be denied to the private financial enterprises of national capital henceforth operating without the guarantee of state banks or the solvency of the foreign banks. The Central Bank will render all the assistance it must in its capacity as a coordinating body of the banking system in order to guide the transformation of the Argentine financial system in accordance with the preference of depositors and clients of the financial agencies.

Once this transformation is completed, Argentina will emerge with a sound financial system solidly based on solvent agencies, and the interest rates will no longer fluctuate at levels totally out of line with reality but will respond to the requirements of an economy that needs to overcome the months-long recession and to assert itself on a sound and normal evolution with good prospects for progress and well-being.

The whole country is determined to eliminate the influence of the state in activities with decisive implications for the economic future of the nation. By reducing the Central Bank guarantee on deposits and by facilitating to depositors and clients of financial agencies, the conditions are set for better business transactions. From this starting point, all other activities will find their proper course as soon as the war emergency we are experiencing is over, with a final victory about which we have no doubts.

We are on trial. We are being attacked militarily and we are being harassed by refusals to purchase our products as well as by limitations to obtain official credits from other countries, and yet we resist to yield to pressure and aggression. Under this trial our economy will not yield either, and thus we shall emerge from it stronger and more confident in our future. Good night.

Further on Economic Measures

PY051528 Buenos Aires TELAM in Spanish 1329 GMT 5 May 82

[Text] Buenos Aires, 5 May (TELAM) -- It was announced that the national government adopted a series of economic measures this morning among which is the devaluation of the peso by almost 17 percent. The objective of these measures is to promote exports, safeguard foreign markets, and collect the funds necessary to meet the demands of the present conflict.

The most important aspect of these economic measures, which the Economy Ministry announced simultaneously with the opening of the markets, is the readjustment on the dollar selling rate which yesterday was at 12,000 pesos and opened today at 14,000 pesos. This means that the peso was devalued by 16.66 percent.

In addition to these measures, the Economy Ministry is also applying a retention of 1,000 pesos per dollar on all exports -- in addition to those retentions that are already in force. Moreover, it was reported that these funds will be used to meet the expenses caused by the conflict with Great Britain.

Furthermore, the Economy Ministry has decided to increase from 10 to 14 percent reimbursements on indistrial exports and to decrease from 1 to 5 points import duties on inputs so as to decrease national industry production costs.

Economy Ministry sources have noted that other economic-financial measures will be issued within a few hours, probably at midafternoon. However, the source did not specify what kind of measures will be adopted.

Payments To Resume

PY060338 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0125 GMT 6 May 82

[Text] Buenos Aires, 5 May (NA) -- Sources of the Central Bank of the Argentine Republic [BCRA] stated tonight that the BCRA resumed today the payments of foreign debts, which had been suspended since Friday.

The resumption of payments on the foreign debt was adopted after a meeting of the BCRA board that was presided over by its chairman, Egidio Iannella.

The decision was made this afternoon and it was immediately reported to the Bank of the Argentine Nation (BNA).

Nevertheless, private banks and other official organizations will be informed only tomorrow, possibly following the procedure of providing the communique over the phone.

The suspension of the payment of the foreign debt has been decided, to the effect of establishing a policy of priorities in view of the need to preserve our foreign exchange within the framework of the current confrontation with the United Kingdom.

Imports Restricted

PY051730 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1325 GMT 5 May 82

[Text] Buenos Aires, 5 May (NA) -- According to a resolution adopted by the Trade Secretariat, the import of a number of products considered by the government as "highly unessential" will be banned for a 45-day period except in cases previously authorized by the secretariat.

The list of products, published today by the newspaper AMBITO FINANCIERO, includes, among others, private cars, alcoholic beverages, perfume, clothing, cigarettes, color television sets, meat, fish, fruit, grain and other food products, various chemicals, manufactured leather products, lumber, charcoal, paper and cardboard, cellulose paste, cotton, wool, textiles and plastics.

The list was prepared following the catalogue of trade names [nomenclador] and is in force as of last Monday.

It is estimated that the products affected by the measure represent 10 percent of overall imports, although the list excludes products from all of the Latin American countries, in order not to hurt those which have firmly supported the Argentine cause.

These restrictions on imports were adopted due to very significant rise in purchases abroad registered in April, termed as mere speculation by government spokesmen.

GDR DEPUTY FOREIGN MINISTER TO ARRIVE 6 MAY

PY051744 Buenos Aires Domestic Service in Spanish 1600 GMT 5 May 82

[Text] Bernhard Neugebauer, GDR deputy foreign minister, will arrive in Buenos Aires tomorrow and will stay here until next Tuesday.

During his stay, Neugebauer will review various points of bilateral relations and the international situation together with Argentine officials. He will also meet with Foreign Minister Costa Mendez, with the economy minister, and with the secretaries of trade and of maritime interests.

U.S., UK JOURNALISTS ARRESTED IN BAHIA BLANCA

PY051307 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1229 GMT 5 May 82

[Text] Bahia Blanca, 5 May (NA) -- Five foreign journalists were arrested by local policemen for being in the area without the appropriate authorization.

The journalists were identified as Claus Meyer, German, of the London BBC; William McWhirter, Edward Myer and Frederic Tutman, U.S. citizens, and John Thitow Phillips, British, of the London BBC. They were accompanied by the Argentine brothers Sebastian and Julian Randle, who were acting as interpreters.

The presence of the foreign journalists was detected by a member of the civil defense municipal board, who saw them on a downtown street in this city filming and interviewing people while another blackout operation was being carried out, in compliance with orders of the civil defense board.

As is known, since approximately a week ago this city, as well as other coastal cities in Patagonia, started the blackout of houses, shops and vehicles at 1930 [2230 GMT].

The journalists under arrest, who were staying in a downtown hotel, were detained by police after their presence was reported to the V Corps, where they have been placed at the disposal of military authorities.

Intendant Victor Puente, in charge of the local civil defense area, reported the arrests to the authorities of Buenos Aires province.

The journalists were on Colon Avenue when the block warden, who realized they were foreigners, told them they should leave the city since there is an order of the V Corps which prohibits the presence of foreign journalists in that jurisdiction.

It was learned that, in addition to taking notes on the blackout operations, the journalists were planning to make notes and commentaries on the reaction in this city and in Punta Alta to the sinking of the cruiser General Belgrano.

Chilean Detained

PY060542 Paris AFP in Spanish 1542 GMT 5 May 82

[Text] Santiago, Chile, 5 May (AFP) -- Chilean reporter Edison Ricardo Manriquez Barrientos was detained in the Argentine city of San Juan while he was transmitting to Santiago, Chile, a report on the war in the Malvinas for TV Channel 11, the station reported today.

Manriquex, 25, was arrested by agents of the gendarmerie in a telephone booth on Sunday, and as of Tuesday night no specific charges were brought against him, the report indicated.

Channel 11 indicated that the reporter was assigned to Buenos Aires to cover the crisis with Great Britain and that his trip to San Juan complied with his desire to visit his Argentine girlfriend.

REPORTAGE ON MILITARY OPERATIONS IN FALKLANDS

5 May Clashes Denied

PY052045 Buenos Aires Domestic Service in Spanish 2029 GMT 5 May 82

[Joint Staff Communique No 25]

[Text] In view of rumors of an alleged confrontation in the Malvinas theater of operations, the Joint Chiefs report that no military actions have been carried out in the mentioned theater of operations since 1300 on 4 May.

'Large UK Ship' Leaves Zone

PY052153 Paris AFP in Spanish 2127 GMT 5 May 82

[Text] Buenos Aires, 5 May (AFP) -- Well-informed sources close to military circles today reported that a large ship, apparently from the Royal Navy, started moving away from the exclusion zone around the Malvinas, escorted by a smaller ship.

The ship could be one of the two British aircraft carriers, apparently the Hermes, since, according to the same sources, the other aircraft carrier, the Invincible, has been detected in the zone by Argentine specialized services.

The sources explained that the large ship was 50 miles from the Malvinas yesterday and that it moved away from the rest of the fleet, and today it is outside the 200-mile war zone around the Malvinas.

A naval source had previously reported that during the attack launched by Argentine Super Etendard planes, two Exocet missiles were used and that the planes' radars registered two impacts: one on the Sheffield and another one on a larger ship.

Will To Fight

PY051344 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1238 GMT 5 May 82

[Excerpt] Bahia Blanca, 5 May (NA) -- Rear Adm Juan Lombardo, commander of naval operations and commander of the South Atlantic Theater of Operations, has said here that "our dead will not discourage us. On the contrary, they will encourage us to continue to defend ourselves, because we will fight until we achieve victory."

Lombardo stated that "the attack on the UK fleet leaves them without one of their most vital units." He added that "the destroyer Sheffield is one of the most powerful, modern and sophisticated ships currently in existence, and it has very similar characteristics to those of the Hercules and of the Santisima Trinidad of the Argentine fleet.

Similarly, navy spokesmen said that the 3,500-ton UK ship was in flames last night with its superstructure just above the waves, and was a relatively short distance from the Malvinas, within the maritime exclusion area that was imposed by the British Government.

Airmen Rescued by Polish Ship

PY051519 Buenos Aires TELAM in Spanish 1426 GMT 5 May 82

[Text] Santa Fe, 5 May (TELAM) -- Sources of the 3d Air Brigade, stationed in the city of Reconquista, have asserted that the two pilots of a Canberra aircraft that was knocked down during the clashes with the British forces are safe on board a ship under a Polish flag that has rescued them from the waters of the South Atlantic.

The spokesman indicated that the rescued persons are Lt Eduardo Ibanez and Noncommissioned Officer Jose Gonzalez, who belong to the 2d Air Brigade in the city of Parana.

It was reported that when their light bomber was hit the pilots had to eject. They parachuted into the sea, where they were rescued by a ship under Polish flag, whose captain reported the rescue to the Argentine authorities.

To conclude, the spokesmen noted that the ship is sailing toward a Uruguayan port, where it will disembark the crewmembers of the Canberra aircraft.

Patrol Boat Arrives in Port

PY052103 Buenos Aires Domestic Service in Spanish 2048 GMT 5 May 82

[Joint Staff Communique No 26]

[Text] The Joint Chiefs of Staff report that the coastal patrol boat Sobral has arrived at Puerto Deseado. The Sobral was attacked on 3 May at 0130 by British helicopters when it was sailing to rescue the pilot of an aircraft of the Argentine Air Force that had been knocked down the day before and who was 120 miles north-northeast of Puerto Argentina.

The ship arrived at port with considerable damage and carried some casualties, whose names will be released in due time.

ARMY CHIEF OF STAFF AFFIRMS NATION'S NEUTRALITY

PY051522 Paris AFP in Spanish 1422 GMT 5 Apr 82

[Text] Brasilia, 5 May (AFP) -- Gen Antonio Ferreira Marques, the army chief of staff, said last night in Rio de Janeiro that the Brazilian armed forces will not intervene in the Anglo - Argentine conflict. Marques, who was giving a press conference at the Rio de Janeiro Navy School, thus confirmed the military neutrality of Brazil which from the beginning of the conflict has urged both parties to seek a peaceful solution to the conflict.

Brazilian officials have stated, however, that they are willing to sell arms to Argentina if the Buenos Aires government requests it. Numerous Brazilian Navy units are presently navigating along the Brazilian southern coasts to aid the transit of commercial ships that use the South Atlantic sea routes.

FOREIGN MINISTRY SCORES BRITISH, U.S. ATTITUDE

British 'Pressure' Noted

PY060730 Formosa Canal Once Television in Spanish 2238 GMT 5 May 82

[Text] Brasilia (TELAM) -- The Brazilian Government has clearly and firmly responded to the British Embassy's complaint accusing Brazil of condoning the occupation of the Malvinas by Argentina while condemning the British attack on the islands. Brazil has recognized since 1833 Argentina's right over the Malvinas Islands, says the tart reply which was read to journalists by Foreign Ministry Spokesman Bernardo Pericas. The Brazilian note at no time cites the name of British Ambassador George [as heard] Harding, who had signed the protest note which diplomatic circles consider to be "insolent" because it accused the Brazilian Government of not conducting itself evenhandedly.

The reply of the Brazilian Foreign Ministry states that Itamaraty did not feel it was necessary to make any reference to the occupation of the Malvinas Islands by Argentina because UN Resolution No 502 Asking that hostilities be halted was already in force. Itamaraty's reply confirmed Brazilian nonofficial circles' opinion that the pressure applied by the British has caused a strong annoyance in governmental spheres in Brasilia.

U.S. Ambassador 'Disturbing'

PY052016 Buenos Aires TELAM in Spanish 1510 GMT 5 May 82

[Text] Brasilia, 5 May (TELAM) -- The strong pressure exerted by Great Britain on the Brazilian Government has caused "deep indignation" among official circles in Brasilia where it was learned today that "the UK Ambassador's attitude has gone beyond tolerable limits."

The British diplomat, Mert Harding, who was unsuccessful in his attempt to meet President Joao Figueiredo when he went to Planalto Palace 5 days ago, issued another note yesterday which observers believed was a "categorical insult" to Brazil's sovereignty.

The statement issued by the British Embassy notes that "Brazil's dignity demands that it uphold a position that is in keeping with its principle of seeking a peaceful solution to disputes. Therefore, the criticism issued regarding the attack carried out on Puerto Argentino is incomprehensible since it did not do the same when the islands were invaded."

This incident, which reasserts a reminder that Brazil owes over $60 billion -- of which 70 percent is owed to European banks and governments -- has caused Ambassador Harding to be strongly criticized by the Brazilian Foreign Ministry, something which it had previously refrained from doing "to avoid a further deterioration of the issue."

The pressure being exerted by Great Britain is also connected to the U.S. ambassador's attitude, since on the same day that the British Air Force perpetrated an attack against the Malvinas (last Saturday), he went to President Joao Figueiredo's country residence to participate in a barbecue.

The presence of the U.S. diplomat, who had been invited by Figueiredo the previous week, caused a meeting that had been called to evaluate the British aggression and that was to be attended by the president, the three military ministers and the foreign minister, to be cancelled in view of "such disturbing presence."

A source close to the president noted that "the lack of diplomatic ethics and rudeness showed by the U.S. ambassador was embarassing for Figueiredo since he thought that the U.S. ambassador would excuse himself and not attend the meeting in view of the British attack and since the U.S. Government had announced its support for Great Britain.

No matter how much official Brazilian circles want to minimize their annoyance over the pressure that the United States and the United Kingdom want to exert on Brazil, circles close to the government note that "this diplomatic abuse may cause the Brazilian Foreign Ministry to adopt an attitude similar to that adopted by those two countries."

Itamaraty had been considering the idea of advising President Figueiredo to suspend his visit to the United States scheduled for 11 May, but they finally considered that the president had better go in order to get Ronald Reagan to listen personally to the impression caused in Brazil and in Latin America not only by the British aggression but also by the U.S. decision to militarily ally itself with Britain and to impose economic sanctions on Argentina.

This conversation will be the first to be held between a Latin American president and Ronald Reagan since the start, more than 1 month ago, of the Malvinas Islands episode, which marked a "significant crack [rumbo] in the continent's very political-economic scheme."

The Brazilian Foreign Ministry does not comment much on what Figueiredo may tell Reagan, but spokesman Bernardo Pericas today reiterated that "such conversations without agendas can be very useful at this moment" and, therefore, more profitable than canceling the visit.

NEWSPAPER VIEWS U.S. POSITION ON FALKLANDS ISSUE

PY052100 Rio de Janeiro O GLOBO in Portuguese 4 May 82 p 1

[Editorial: "Solidarity in Play"]

[Excerpts] The escalation of the conflict in the South Atlantic during the past few days went beyond the point of no return as a result of the direct military confrontation.

The tiring mission of U.S. Secretary of State Alexander Hai, failed, but his efforts bear testimony of the U.S. efforts to maintain peace. Even the last card played by Washington on Friday when President Reagan announced that he was placing the U.S. military and economic power at the service of the British cause must be understood as a desperate attempt to avoid armed confrontation.

With negotiations frustrated, the White House tried one final resort -- direct pressure -- which was to demonstrate to the Argentine Government the uselessness of its intransigent position on the sovereignty over the islands, the crucial point of the issue.

Moreover, it would be difficult for us to think that the United States would abandon its most important ally in a greater confrontation which is today dividing the world between nations committed to freedom and democracy -- among which the countries of South America are aligned -- and the bloc which is submitted to Soviet totalitarianism.

The clear American option clashed with part of public opinion of the hemisphere. That reaction is understandable. But it would be quite unjust and insensible to give ground for a process of sounding things out which could compromise the pan-American ideal.

It is natural that Argentina will maintain some resentment. But the group of Latin American countries cannot forget that Reagan acted in absolute compliance with UN Resolution 502, and this clearly explains the role of first aggressor played by Argentina on taking possession "manu militari" of the British possession.

The Malvinas are not more important than the peace in the world, and neither can they be turned into pawns of Soviet strategy on our continent. The Brazilian Government is certainly aware of all these priorities and its utmost efforts at this moment must be aimed at helping the Argentine Government accept these priorities.

Once the appropriate terms are found for this conflict, it will be much easier to obtain a truce, and beginning from there, Argentina will be able to defend its pretensions in the appropriate arena of the international courts and arbitration. Brazil acted in this manner, and successfully, during the dispute with Britain over the island of Trinidad.

Once the dispute is deprived of its emotional aspects -- and a realistic attitude by the Casa Rosada will greatly contribute to accomplishing this -- it becomes evident that the British presence in the extreme south of the Atlantic Ocean represents an anachronistic vestige of the colonialism of the last century. There is a geopolitical legitimacy in the Argentine demand which will favor Argentina in an appropriate forum -- and there, with the decisive support of Brazil -- to achieve the victory which would be too costly if achieved on the battlefield.

PRC AGREES TO EXPORT 1 MILLION TONS OF OIL

PY041042 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Mar 82 p 33

[Text] PETROBRAS yesterday concluded with the PRC the purchase of 1 million tons of petroleum, which is equivalent to 22,000 barrels daily, at a cost of less than $30 [per barrel]. The purchase was concluded at a long meeting held at the PETROBRAS Building by its marketing directors and a PRC mission.

PETROBRAS officials said that the contract signed with China "is proof that the policy adopted by the enterprise has succeeded to the effect of bringing the oil prices under the bottom line of $30 per barrel." It has also confirmed PETROBRAS' prediction that non-OPEC countries would promote a substantial reduction in prices of their products as has already happened in the North Sea, the Soviet Union and Mexico.

At a press conference held 2 days ago, PETROBRAS Commercial Director Carlos Sant'anna ruled out the possibility that Brazil might be hurt by an OPEC boycott and noted that the Brazilian purchasing policy "was a natural position designed to defend its economy."

Just like in favorable periods the oil-producing countries can order price increases "which are viewed as a normal action by consumer countries like Brazil," PETROBRAS can "also exercise its right" to defend lower prices for the petroleum it imports, Sant'anna said.

WORLD'S LARGEST ROCKET FACTORY TO OPEN IN 1983

PY050926 Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Apr 82 p 1

[Excerpt] Avibras Aerospace Industry Inc will start operating the world's largest rocket factory in Brazil in 1983 and a bulk of its production will be earmarked for exports. Avibras is the second arms enterprise in the country; the first one is ENGESA [Specialized Engineers Inc], which has already developed laser systems for night fighting in its light armored vehicles.

ARIAS TO ASK U.S. REMOVAL OF ARGENTINE SANCTIONS

PA051942 Madrid EFE in Spanish 1709 GMT 5 May 82

[Text] Washington, 5 May (EFE) -- Peru will ask the United States to lift the sanctions imposed on Argentina last week. This information was revealed by Latin American diplomatic sources in Washington. The move by Peruvian Foreign Minister Javier Arias Stella is aimed at (?saving) the inter-American system.

Diplomatic sources told EFE that Peru is seriously concerned over the Reagan administration's stand regarding Argentina. The Peruvian Foreign Ministry feels that the U.S. position will have "adverse" repercussions on the entire inter-American system.

Information in the hands of the ambassadors of Latin American countries indicates that the U.S. attitude toward Argentina is considered "unilateral and in violation of the articles of the OAS and UN Charter and the (GATT)."

PAPER ACCUSES U.S. OF SINKING ARGENTINE CRUISER

PY060206 Buenos Aires TELAM in Spanish 1913 GMT 5 May 82

[Text] Lima, 5 May (TELAM) -- The morning newspaper CORREO raises the question on who sank the Argentine cruiser General Belgrano, and states that that kind of information can only be given by U.S. satellites, which had already given some information to the British ships.

On indicating that there is no other source capable of giving information to the Royal Navy, it adds that the alliances against the Malvinas will shoulder before history and the world the burden of this cowardly event which is beyond all ethics of war.

The newspaper finally states that Admiral Woodward had broken all principles of gentlemanliness that has always characterized naval men in war. Woodward behaved like a real pirate of the seas.

SOCIETY OF INDUSTRIES SUPPORTS ARGENTINE CAUSE

PY300834 Buenos Aires TELAM in Spanish 0018 GMT 30 Apr 82

[Text] Lima, 29 Apr (TELAM) -- The powerful Society of Industries today asked all Ibero-America to rupture all commercial relations with Great Britain. It also demanded respect for the undeniable Argentine sovereignty over its islands, the cessation of hostilities and the repudiation of all intentions to impose colonialism.

In an advertisement in the local press, this group demanded Ibero-American solidarity through the breaking off of all commercial relations with Great Britain until it recognizes total and complete Argentine sovereignty. Economic sanctions are the best weapon that the underdeveloped countries possess. The communique also urges the government to adopt a vigorous and promotional industrial policy in order to free Peru from a dependency which exposes it to pressure, and to the use of force by the developed countries and imperialists whenever they choose. This inability to defend ourselves, the communique says, exposes us to imperialist intervention, such as has happened in Cuba, Afghanistan, Nicaragua and now in the Argentine islands.

COSTA MENDEZ TO MEET ZAMBRANO ON FALKLANDS

PA052329 Buenos Aires LATIN in Spanish 2149 GMT 5 May 82

[Excerpt] Caracas, 5 May (LATIN-REUTER) -- Venezuelan Foreign Minister Jose Alberto Zambrano will meet here tomorrow with his Argentine counterpart, Nicanor Costa Mendez, who will make a stopover in Caracas en route to the United Nations, it was officially reported today. The announcement was made by Foreign Minister Zambrano in a talk with newsmen after briefing the House Foreign Affairs Committee on Venezuela's support for Argentina in that country's conflict with the United Kingdom over the Malvinas Islands.

Nicanor Costa Mendez "will come to the country early tomorrow. He will meet with the president and will later continue on to New York," Zambrano indicated. Diplomatic sources stated that Costa Mendez will arrive abroad an Argentine Air Force aircraft after a brief stopover in Brasilia.

The foreign minister said that Costa Mendez informed him last night of his intention to travel to New York to participate in the debate which will take place at the UN Secrurity Council on the crisis in the South Atlantic.

POLITICAL LEADERS REPORTEDLY MET WITH PASTORA

PA052110 Madrid EFE in Spanish 1509 GMT 5 May 82

[Text] Caracas, 5 May (EFE) — The newspaper EL DIARIO DE CARACAS reported today that Eden Pastora, "Commander Cero" of the Nicaraguan revolution, reportedly met in secret with Venezuelan President Luis Herrera Campins and former Social Democratic President Carlos Andres Perez.

The whereabouts of Commander Cero, who is currently at odds with the Junta of the Government of National Reconstruction of Nicaragua, were a mystery during the last 10 months but he reappeared a few weeks ago in San Jose, Costa Rica, and vowed to drive the current government leaders from power "with shots."

EL DIARIO DE CARACAS reported today that Pastora stayed secretly in Caracas, quoting sources from the ruling Social Christian Party, COPEI, and Democratic Action, AD, the social democratic opposition party. According to the sources, Pastora spoke at length with Perez on Monday afternoon and was received at night by President Herrera Campins.

AD leader Humberto Celli said that Pastora was not received by the AD leadership officially but that the Nicaraguan revolutionary leader enjoys great sympathy and friendship among social democrats.

In conclusion, the newspaper notes that the purpose of Pastora's visit was to propose an agreement between social democrats and Christian democrats, who are split on the issue of the Sandinist regime's evolution, to force a political opening and the holding of democratic elections in Nicaragua.

COMMUNIST LEADER ON PURCHASE OF HAWKS, F-16'S

PA050404 Caracas Radio Continente Network in Spanish 2100 GMT 3 May 82

[Text] Venezuela should refrain from buying the British Hawk planes our armed forces were planning to buy. It should also refrain from buying any F-16's from the United States. Communist Party of Venezuela leader Radames Larrazabal has expressed this view, adding that England and the United States have turned the Western Hemisphere into the scene of war against the Argentine people. According to Larrazabal, the U.S. mediation merely sought to give the British time to prepare better to attack Argentina.

SANDINIST DEFECTOR SAYS TORRIJOS MURDERED

PA051513 Panama City LA PRENSA in Spanish 5 May 82 p 1A

[By Migdalia Fuentes]

[Text] Alberto Trejos Leiva, brother-in-law of Sandinist leader Humberto Ortega Saavedra, said here yesterday that Cubans murdered Gen Omar Torrijos Herrera when the latter began to look into events that were taking place in Nicaragua.

Trejos Leiva, a former Sandinist fighter trained in Havana to infiltrate Costa Rican Government intelligence services, will release a book of over 450 pages, in which he will give previously unknown details about Cuban activities in the Central American region.

Trejos Leiva told LA PRENSA that General Torrijos committed a great error because he was aware of what was happening in Nicaragua and, like many other people, he began to get involved, for no personal gain, in a problem that affected all Central America and the entire world: the outrageous Somoza dictatorship that needed to be eliminated.

"The thing is that he sought advice and he was approached by agents of the Cuban Government who led him down the wrong path," Trejos Leiva said.

Trejos Leiva, who continuously emphasized his need to guard his personal safety, appeared to hesitate for a moment before saying: "I believe that since we have touched somewhat on the subject, although I did not plan to reveal this, in my book I ask very pointed questions in connection with what could be called my theory of what happened to the general...."

"I believe that in a very short time it will be revealed that the general began to realize the evil that the Cubans were perpetrating in Central America.

"This evil was directed not only against the countries in the north, but could also be directed against Torrijos' own country, and he began to realize this.

"Thus certain things occurred that will be explained very clearly in the book.... He began to be worried and it was reported at one time that he had called together a group of people to advise him and help him resolve the problem of how to brush off the Cubans.... Then he suddenly had an accident.

"In my book, I suggest that if he was killed, the Cubans did it and I explain why, because I was familiar with his case, because I was a Cuban agent and I know how they began to infiltrate this country and how they began to set up their embassy."

Trejos Leiva explained that he obtained his experience with the Cubans in Costa Rica and that he was in constant contact with Cuban agents here in Panama.

Asked if the activities of the Cubans in Costa Rica are similar to those which the Cubans carry out in Panama, he answered: "They are different."

He said that "Panama is presently a bridge for the guerrillas. Montoneros, Tupamaros, 19 April Movement (M-19) and even the front [presumably the FSLN] have political offices here. Trejos Leiva asks why the front needs offices here.

"We worked with the Communist Party to deceive General Torrijos," Trejos Leiva said. He gave details about the manner in which Cubans managed to infiltrate the highest positions in Costa Rica, even President Rodrigo Carazo's office, and the dramatic recruitment of former Security Minister Juan Jose Echeverria Brealey.

AQUILINO BOYD APPOINTED NEW AMBASSADOR TO U.S.

PA060242 Panama City Televisora Nacional in Spanish 2300 GMT 5 May 82

[Text] Former Foreign Minister Aquilino Boyd was appointed this morning Panamanian ambassador to the United Staets. Foreign Minister Jorge Illueca confirmed the news to our reporter Jose Montano:

[Begin recording] You seem to be well-informed with developments. President Aristides Royo this morning signed the decree appointing Aquilino Boyd ambassador extraordinary and plenipotentiary to the United States. As you know Ambassador Boyd was Panama's permanent representative and ambassador to the United Nations for more than a decade and he also was foreign minister, a position he distinguished. [end recording]

Once the news was officially confirmed, Televisora Nacional reporter Jose Montano managed to interview Ambassador Aquilino Boyd:

[Begin recording] [Question] What do you have to say of your appointment?

[Answer] I consider it a challenge -- perhaps the most important of my diplomatic career, considering all the important problems waiting for a solution between Panama and the United States of America. Within my modest ability and experience in the field of diplomacy, I will do my best to obtain the most I can for Panama.

[Question] Will your friendship with Vice President George Bush serve any purpose?

[Answer] Undoubtedly yes. I feel that my friendship of more than 10 years with Vice President Bush will serve to open many doors, because it is hard to reach the top echelons in the United States if you do not have contacts as important as the one I have with the vice president of the United States.

[Question] From now on what will your relation be with the Liberal Party?

[Answer] I think that if a diplomat is asked to assume a high position in the Panamanian diplomatic mission, the party and friends should be glad. I do not see why this should motivate divisions within the Liberal Party.

[Question] How have you interpreted the letter that President Ronald Reagan sent to President Royo regarding the Malvinas Islands?

[Answer] Undoubtedly the United States is facing a difficult time in its foreign policy, by offering to give support to Great Britain when all Latin America has sided with Argentina. I feel President Reagan's letter represents the sincere desire of North Americans that this tragedy in the South Atlantic will not cause any more splits among the peoples of this continent than it already has. I think the wound is deep enough and our duty is to try, at all international forums, to find formulas for peace to prevent the sacrifice of more lives. [end recording]

REPORTAGE ON FALKLANDS CRISIS REACTIONS

Illueca Comments

PA060201 Panama City Televisora Nacional in Spanish 2300 GMT 5 May 82

[Text] Panamanian Foreign Minister Jorge Illueca left today at 1300 for the United Nations to attend the debates at the UN Security Council tomorrow, Thursday. Before boarding the plane, Foreign Minister Illueca made the following statement to our reporter Jose Montano:

[Begin recording] England would place itself in a very difficult position if it should veto a resolution which basically seeks a cease-fire and the initiation of negotiations at the United Nations.

If England should veto the resolution, the alternative left to Argentina and the other countries interested in having peace, is to call an emergency meeting of the UN General Assembly, which I am sure will put England in a very difficult situation.

[Question] Minister Illueca, will Panama promote a consultation meeting among the heads of state that will attend President-elect Monge's inauguration in San Jose, Costa Rica?

[Answer] President Royo and many more heads of state will be present at the transfer of power in San Jose, Costa Rica. I am sure Venezuelan President Luis Herrera Campins is going to be present and so will be many other government officials of all the Latin American countries. I will be back in San Jose, Costa Rica, on Friday. Venezuelan Foreign Minister Zambrano Velasco will be flying with me from New York after the UN Security Council meeting. We are certainly going to discuss the main issues: The Central American situation and the collective security mechanism of the inter-American system.

[Question] Minister Illueca, we have learned that you have been in touch with your Venezuelan colleague regarding the Malvinas Islands conflict, could you tell us anything about your conversations?

[Answer] Minister Zambrano Velasco and I have been in contact since the meeting of the Inter-American Reciprocal Assistance Treaty, TIAR, in Washington. Afterwards we met in New York and we have continued exchanging views since I returned to Panama. I would like to say that Venezuela's participation at the OAS meeting in Washington was outstanding, with Venezuela assuming a position in defense of Latin America. Venezuela is trying to bring about a meeting of foreign ministers who hold similar views on the conflict, which could be held in Caracas or Panama. I think that there are many foreign ministers who share Venezuela's position. I think that in San Jose, Costa Rica, we will have the opportunity to exchange views and impressions with regard to holding this meeting. Basically what we all want is to seek a harmonious and coherent position, in the same way we did in Panama for the declaration of a Latin American economic policy with regard to developed countries in the United States. [end recording]

Paper Warns Thatcher, Reagan

PA051918 Panama City CRITICA in Spanish 5 May 82 p 22

[Editorial: "It Is Time for a Rectification"]

[Text] The blood spilled by the noble Argentine people as a result of the war that they have had to wage to defend their national dignity demands a prompt rectification from the big Western power.

Mrs Thatcher and President Reagan do not realize how the saying "Those who sow the wind reap the whirlwind" may apply in their case.

The fallen ones, on either side, but especially the Argentine casualties, are generating a feeling of hatred throughout Latin America that was not seen during the cruel Vietnam war, which was a dirty and unpopular conflict. We must look ahead.

If the killing in the South Atlantic does not stop now, make no mistake about this, there will be a feeling of desperation among Latin Americans and all those defending either side.

We repeat: Let there be careful consideration. The scars of war in the South Atlantic will not heal quickly. On the contrary, feelings of revenge will prevail, Mrs Thatcher, President Reagan.

U.S. Manipulation of News

PA041525 Panama City LA REPUBLICA in Spanish 3 May 82 p 4

[Joaquin Beleno column: "War Escalation"]

[Text] We are all quietly observing the way England is crushing Argentina with U.S. support and the tacit or subordinated acceptance of the Latin American countries.

All of us see how the press, radio and televison controlled by U.S. news agencies are giving broad coverage to the British point of view as if we were British subjects interested in sharing the adventures of perfidious England against Galtieri's "fascist government."

We can all see how the Saxons and the North Americans are managing the Malvinas matter to make Argentina bend and kiss the floor in front of the Latin American countries that are watching the events with the same feelings of impotence with which slaves watch the whippings given to a companion caught trying to escape.

We are seeing the shape that the situation is taking with the recognition that Russia could come, directly or indirectly (via Cuba), to Argentina's aid at this moment when that South American nation is more alone and isolated than ever.

We can all state that the Inter-American Reciprocal Assistance Treaty, TIAR, has been turned into toilet paper...used toilet paper. We can also see that the governments of this hemisphere are beginning to talk about revising TIAR.

We can all note the importance of today's U.S. National Security Council meeting convoked by Reagan in Washington to discuss the possibility of a Russian intervention in the conflict while hoping that Russia will not dare get involved.

We are all moved by what is happening to Argentina and to the Argentines, but we are forgetting that this situation could repeat itself in Gibraltar, Belize, the Panama Canal, Guantanamo and wherever there may be Saxon or Saxon-American interests.

We all see that the escalation of the war in the Malvinas could at any given moment turn into a world war.

We can all predict that there will be fundamental changes in the policies of the governments of the hemisphere and that there will be a new form of massive utilization of the press, radio and television to justify to the dumb Indians of the continent the action taken by the United States against Argentina.

BRIEFS

TAIWANESE CHARGE D'AFFAIRS -- Antonio Tsai, appointed first secretary and charge d'affairs of the Taiwan Embassy in Panama, assumed his new duties last week. [Panama City STAR AND HERALD in English 2 May 82 p 1 PA]

COSTA RICA

PAPER CITES ANTI-SANDINIST CAMPS IN NORTH

PA050433 Paris AFP in Spanish 0352 GMT 5 May 82

[Text] San Jose, 5 May (AFP) -- Some 125 persons are training to fight the Nicaraguan Government in camps located in Las Marias and Medio Queso in the northern Costa Rican canton of Los Chiles, the evening newspaper LA PRENSA LIBRE reports today. The paper today published photographs of ranches and belongings abandoned in those places by the counterrevolutionaries, whose number went from 25 to 125 in the wake of a visit made to the place by former Sandinist Eden Pastora, who announced last month that he will fight against the government of the neighboring country.

The newspaper reports that "before leaving for Venezuela last Friday, Pastora held a meeting with farm owners and prominent persons in the cities of San Carlos and Los Chiles" and that he will soon hold another, similar meeting.

The national security authorities of this country had announced that they will prevent counterrevolutionary bands from training on Costa Rican soil. LA PRENSA LIBRE reports that the national security authorities have uncovered guerrilla camps in the northern part of the country, but have refused to report this to the press.

It indicates that "a few weeks ago, a contingent of civil guardsmen reached a guerrilla camp in Marabamba in Los Chiles near the northern border" and found 10 ranches and medicine. The report also notes the existence of another camps and a landing strip which had reportedly been used to take one of the guerrillas to a hospital in San Jose following a clash between counterrevolutionaries and Sandinist army members.

Angel Edmundo Solano, the designated minister of public security of Luis Alberto Monge's administration which will take office 8 May, has said that he will prevent the existence of this type of camp, maintaining that it is fundamental to preserving internal peace and good relations with neighboring countries.

EL SALVADOR

PRESIDENT MAGANA NEWS CONFERENCE ON POLICIES

PA040154 San Salvador Domestic Service in Spanish 1830 GMT 3 May 82

[News conference with Salvadoran President Alvaro Magana at the presidential house in San Salvador -- live]

[Excerpts] [Indistinct introductory words by unidentified speaker]

[Answer] Thank you. I would like to thank you for your patience in waiting for this news conference. Our desire to hold it jointly with the vice presidents led to some delays. We are now at your disposal. I see here some familiar faces so I suppose not all of you will expect answers to all your questions. I would like to ask you for some understanding and to take into consideration the fact that it may be hard to give specific answers to some of your questions because this is our first day of work. I am not yet completely familiar with my offices. In fact, I am not familiar with the telephones and I still answer the wrong one. As this is our first day of work, we are trying to solve some pressing problems. Our desire is to seek solutions to many of your questions within the framework of national unity that characterizes the new regime. I appreciate your presence here and again ask you to be understanding if we find it hard to answer some of your questions at this point. As soon as we begin adopting decisions, you will be the first ones to know. We are now at your disposal.

[Question] [Mostly indistinct but apparently dealing with his presidential candidacy and the integration of his cabinet]

[Answer] Regarding the first question, on several occasions prior to the election I said that I knew my name had been included in a list of four or five people. Our names were being suggested. The first time I learned about this was immediately following the election, when people began speculating about the possibilities that an independent person might have. On that occasion I did not take it seriously because it was premature. Afterward, the fact that so many newsmen kept looking for me at the bank and at home led me to believe that it might be true. I held several news conferences then. By the way, I always wondered what would have happened to all that material if this thing had not turned out the way they did. This is all I can say about how I learned about this situation.

As for the new cabinet, we worked on this yesterday and the day before last. The three parties also have committees working on this this very minute. We hope to be able to make an announcement tomorrow. Early tomorrow, we intend to submit the names of the appointed cabinet members to the assembly for their ratification. If there are no obstacles or problems, we would like to swear them in tomorrow afternoon, so they can be in their offices on Wednesday morning.

[Moderator] Mr President, the next question will be asked by (?ANSA) correspondent (Rey Contreras).

[Question] Mr President, these are my questions: [words indistinct] that the new government intends to devaluate the colon. Is there any truth to this? This seems to be confirmed by a (?small) campaign I have seen in some newspaper, which said: Salvadoran count your colon, the dollar costs 2.50, or something like that.

Also, does your government plan to grant a general amnesty for political prisoners? Several colleagues [words indistinct] are among them.

Finally, what is your government's stand on the Malvinas issue?

[Answer] Regarding the devaluation, I can say that the most difficult moments, when it might have made some sense to consider the possibility of a devaluation, have passed already. Last year, there were several occasions when that possibility was considered. The problem with a devaluation is that in order for it to have the desired results, one must adopt a number of measures which, if adopted prior to the devaluation, render the devaluation unnecessary. Practically all those measures have been adopted and right now it would be pointless to consider or even think about a devaluation. I can assert this most categorically, since some of your questions will fall into areas with which I am more familiar. In my former post as central bank director, I became familiar with the country's monetary situation.

As regards your second question, concerning amnesty, our view and that of the vice presidents was reflected in the central idea of my speech yesterday; the need to bring about the pacification of this country. I reiterated this, I said it vehemently and with the conviction that it is something necessary, and that we are interpreting the 28 March voting by making every effort to bring about pacification.

Amnesty may be one of the measures needed to solve this complex problem which necessitates several solutions. Perhaps I am anticipating a question, which I am sure several of you have in mind and is in the same category as amnesty; I am talking about dialogue. Dialogue is another possible means of achieving pacification. The only thing I can say right now, in my own name and on behalf of my companeros, the vice presidents, is that we will do all in our power to achieve pacification and that those efforts will represent the concurring views of the three majority parties, which constitute a national unity government.

Regarding the Malvinas issue, I think there is no problem there. El Salvador has maintained a very clear and well-defined international policy. With the other Latin American countries, we have already agreed to be on the side of our Argentine brothers.

[Moderator] Messrs President and Vice Presidents, it is now the turn of newsman (Alvaro Sanchez) [words indistinct].

[Question mostly indistinct on the Caribbean Basin plan and how the funds assigned to El Salvador will be used.]

[Answer] As I was telling you, we have been here for only 3 hours. Because of my knowledge, as director of the central bank, in economic and monetary matters I know that there were projects underway to find the best way of using these resources. This is a fundamental matter, and I believe that it is a great opportunity for the Salvadoran Government as well as for the other governments to try and use this plan because it could be an effective way, as in our case, of achieving an effective beginning to an economic recovery. (Alvaro), to answer truthfully, at this time I cannot be more specific. But it is one matter that I will give special attention to because it is very important. As a foreign reporter said, this plan is probably one of the most satisfying things of the Reagan administration since such an ambitious plan, if handled correctly, would be of much benefit to the Caribbean Basin countries. Thank you.

[Question] You said a little while ago that someone would ask about dialogue and [words indistinct]. You said in your speech yesterday that there was nothing to explain, nothing to [word indistinct] and nothing to negotiate. Some sectors, before the elections, had suggested on several occasions that the new government should or could start negotiations with the ultraleft, especially the FMLN and the Revolutionary Democratic Front (FDR). I would like to know you government's position on a dialogue with [words indistinct] regarding these organizations.

[Answer] It seems that one of the happiest or less happy expressions of my speech was that there was nothing to negotiate. But one thing is true, it was accepted with enthusiasm by all the parties and the people present. I believe that these who attend the swearing-in understood what I was trying to say. I said that there is nothing to negotiate based on 28 March which was a clear, absolute and definite demonstration on the part of the people of their attitude regarding peace. The search for pacification does not necessarily mean a negotiation as is generally understood. The truth of the matter is that prior to Cancun they spoke much of dialogue but the words have changed. The period between Cancun and the elections they again spoke of dialogue, first negotiations, later dialogue and then after the elections it was changed completely. I interpret the feelings of the Salvadorans in that we want and we should try to make peace but without negotiations. I believe I am not wrong. Thank you.

[Question indistinct]

[Answer] Regarding your first question I would prefer not to give my legal opinion. I am no longer a true lawyer, I forgot those matters a long time ago. I tried to learn them a long time ago and probably never learned them correctly. The truth of the matter is that the naming of the vice presidents by the Constituent Assembly seeks to reaffirm an idea that I share. We need a government of national unity. The measure in which they set their duties, more or less broad, is of no personal importance to me. Whatever these duties may be, I am sure, and if I were not sure I would not tell you, that in the 3 days that we have been working together -- and some of these people we had never met -- we are agreeing more easily than many would care to believe. So, whichever way the decree is written up, it will not be a problem for our efforts toward national unity. I don't believe anyone would want to hinder my work, nor do I want to stop others from sharing responsibilities with me or helping me. So, I don't see this as a problem from any point of view.

On the other question, it caused yesterday's agenda to be changed. One has to get accustomed to being saluted in a different manner but I will get accustomed. Thank you.

[Question indistinct]

[Answer] I will have to answer this the same way I answered him, with the only difference being that I never studied medicine. I don't know what guarded diagnosis means and we would have to ask the distinguished lawyer that used the term.

Regarding the same problem that was queried a little while ago, you have asked it more directly. The Constituent Assembly, as far as I understand it from talks with my vice president companions, discussed the drafting of this decree and agreed to name a committee from different parties. I believe it is to be made up of two members of each party, to prepare some basic ideas that will be conveyed to us, the president and vice presidents, for us to draft the terms in which the relationship will evolve. Therefore, my point of view, which I gave in the previous answer, is that I don't honestly believe that it is essential for me to share this decision even if I did not need the consensus of two of the vice presidents in making important decisions. Rest assured that I would not do so if I did not agree with it. I don't know if this answers your question [laughs], in what can possibly be answered, (Humberto).

[Question] Will the government continue the economic model within the framework of capitalism or will it implement a new economic model in line with our economic situation?

[Answer] I was educated in economics and one of the problems of economics is that it has never been able to create its own terminology. It borrowed the terms equilibrium and [word indistinct] from physics. It borrowed its modern terms from another activity, a more pleasant and agreeable activity, [words indistinct]. It is not a matter of having a specified or characterized model. We are in El Salvador within a capitalist regime in which certain measures of state intervention have been adopted to regulate certain activities. The rules of the game are the same. I don't think that there will be a major change. In other words, there has been no other way found to encourage the private sector than through profits. Therefore, I am not going to complicate my life with complicated models, and this is an interim government. I want to remind you of this. So, I don't pretend that during my brief period in office we will do more than lay the groundwork for the government to have a definite constitutional framework so that it will not begin hastily. Therefore, I don't need any model or any [girl] model. [laughter]

[Question in English] Mr President, some insurgents say that you were elected because of direct U.S. pressure [words indistinct], and some say that because the assembly has its own power, you will be a weak president. How do you respond to this?

[Answer in English] The first part of your statement is not absolutely correct in the sense that I have been elected because of that pressure. It is my impression that it was not that way. Referring to the second part [of your question], I visualize my provisional government, as I said to Mr [name indistinct] Baker; as a government that will, in a short time, try to lay the basis of economic development for the next government. I don't intend to be strong to try to make a good administration. I am sure that I am going to have the support of the Constituent Assembly if I [word indistinct] something to do what I plan to do which is the best for the country; its economic recovery.

[Question indistinct]

[Answer] Perhaps it is easier to answer the second question: Because of what I noted, that we are still working on the cabinet, I could not answer anything about the second question. Regarding the first question, it seems that from a discrepancy in viewpoints, which are very well justified in a democratic system, a tragedy is in the making. However, this is the normal course of a democracy which, perhaps, we are not used to. I am sure that all parties -- and best proof of this is that the representatives of the three majority parties -- are here with me to help me with this government of national unity. Therefore, I am sure that we can work together, not only with ARENA, but with all the other parties. I am very sure of this. I said during a previous interview that I trust that time will permit me to know people better, and that the problems are so big and pressing that I am sure that any differences which I may have, not only with the members of ARENA, but with any other party, will be overcome.

[Question in English] Could you tell us about [words indistinct] and what do you know about [words indistinct]?

[Answer in English] Well, I've tried to answer this question before. I think that a provisional government that is going to be in power for a short period of time is not going to have ambitious plans. It would be impossible and unrealistic. So, what we will try to do is to reorganize the administration, stimulate economic recovery, and the Constituent Assembly will be very busy doing something very important, which is to write the new constitution. I wonder if they are going to have much time to follow everything that I do. But in any event there will be some points in which there will be a closer relationship. I hope that, and this is one of the many functions for the vice president, the Constituent Assembly will cooperate with me to direct this kind of relationship in a way that is more effective for the best of the country.

[Question indistinct]

[Answer English] Let me answer this in two parts. The first is that we have been working with the vice presidents, and one important thing is going to give you an idea of the extent of the work that we are going to do is that they will be full-time with offices here at the presidential house so we are in close contact. With reference to how, the problem of the veto exemplifies the problems. I am going to ultimately decide with the Constituent Assembly commissions in order to prepare a final draft from our combined efforts. I don't know if this answers your question.

[Question] Mr President what will be the attitude of your government toward Mexico? This is one question, the other is; what do you expect from the country's private sector regarding your government?

[Answer] I expressed some opinions here with perfect confidence that they represent the consensus of opinion of us four. However, in some other cases, as in the case of the question that you are asking, we failed to foresee that the question would be asked, which is an elementary mistake. However, we will learn. Personally, I think that Mexico has grown apart from us, and when you are abandoned, all you can do is wait for the person who left you to come back. Regarding the private sector, its participation and dedication are definitely fundamental and necessary. It you note certain paragraphs of my speech, it contains a lot between the lines. There is a lot in it to carefully examine. Each part of the speech in which I refer to a need for trust and legal security is truly addressed to the private sector. I was not referring to the agricultural sector because I was very specific about that. That was one of the very few things in which I could be specific.

[Question] [Words indistinct] I would like to know how will you deal with [words indistinct] human rights?

[Answer] The problem of human rights is another crucial problem which we have to face. Somebody told me that I didn't mention anything about human rights in my speech. You probably noticed that. But here I also refer to the words between the lines. Unfortunately, to explain what is between the lines means that we would need to talk for a longer time.

Really, when I speak about pacification, I am thinking of human rights. This means that the day we achieve the degree of pacification which I expect to achieve and the conflict is reduced to a lesser importance, human rights problems will end. This is my best wish and I want you to see the pacification in this context.

[Question] Mr President, a few moments ago you said that there was no economic model for the country's [word indistinct]. But my question is: How will your government improve the country's economy?

[Answer] What I tried to say is that there is no specific economic model such as that of Keynes' or of the Chicago school. My reply was that we are within a free enterprise capitalistic system in which all the sectors of the economy operate and in which state intervention -- when it becomes necessary for social reasons -- must be managed in an adequate way so that it will not affect the play of economic forces. This is almost a Chicago-style explanation but, not exactly. [laughter]

[Question indistinct]

[Answer] No, I am still not very well known. That is the reason for this news conference. [laughter] No, I have not made any official contact. You know that I was just sworn in yesterday at 0700. I am very pleased because it seems that the U.S. media, from what my relatives have told me, has treated me very well, and perhaps I don't deserve that.

[Question] Mr President and Messrs Vice Presidents, I have two questions. What will be the most important and specific steps that your government will take to obtain the pacification or at least to promote it? The other question is: Did you [words indistinct] with the general commander of the armed forces? [words indistinct] Gen Jaime Abdul Gutierrez. [words indistinct] because [words indistinct] political matters. However, it is also true that the commander general of the armed forces, according to our constitution, is the president of the republic. But in the previous regime, it seems that Gutierrez was appointed commander in chief. My question is just aimed at finding an expansion to your reply: Is Gutierrez still dismissed? The constitution says that the general commander of the armed forces, which is the president of the republic, can [word indistinct] a military officer, a high ranking officer, which would be a general, one of the most distinguished with the best capabilities or qualities. The question was long, but I am expecting a short answer. [laughter]

[Answer] In these juridical matters, I am a layman. However, what you said about the constitution is correct. The president is the general army commander and he cannot delegate this function. In other words, in the previous scheme, it was a decision of the government junta which had assumed power. This means that the Constituent Assembly could have done the same, but it left the presidency of the republic regulated by the constitution in the same manner as you very well indicated. I think that you agree with me. Obviously, the reply was given. As for pacification, I referred to the dialogue and negotiation in previous answers related to some aspects or parts of the overall problem of pacification. So I see pacification as a very complex problem which we also brought to account when we talked about the amnesty. Unfortunately, Adria, regarding this I cannot give you a categorical answer because this is a matter which I should not only talk over and discuss with my vice presidents, but with the party leaders. About the national unity, it is not only convenient but also a need. Perhaps the case of the pacification is one example in which national unity is needed the most from all the forces represented in the assembly and not only from the majority parties. I feel that this problem is so important that the five parties must concur with my viewpoint in an effort to find a path to pacification. I hope that later on -- and I hope that we won't have to wait too much -- we can give you news about what we will do about this.

[Question indistinct]

[Answer in English] That's a very difficult question because it is a question that should be asked to the politicians in the first place, if they plan to have more control. I am not a politician, so I don't know what they have in mind. I will try to get along well with the armed forces. I am sure that we'll do that. Here comes another problem of semantics that [words indistinct]. [laughter]

[Question indistinct]

[Answer] That's an institution of [words indistinct] we don't have that institutional [word indistinct] right now. [words indistinct] I don't know if that answers your question.

[Question] Mr President, [words indistinct] our country [words indistinct] economy and private enterprise [words indistinct]. How do you plan to help the small enterprises?

[Answer] I would like to refer to the general explanation of asking you for a little bit of understanding because we have not defined specific measures on many problems or aspects of the economic sector. However, due to my previous posts, I am familiar with some of the problems of the small enterprise. All I think is that the overall plan to stimulate economic recovery needs to be adjusted to the small enterprises which have very special characteristics and which are very important because one of the errors into which one easily falls is that many small things add up to big things. Therefore, I think that these people deserve all possible help and any incentives system which is geared to solve their specific problems should be granted. But they deserve all the attention.

[Question indistinct]

[Answer] I also want to express my appreciation for your kindness and your understanding, because I was very worried about this news conference. I will be calmer next time. Thank you.

FDR LEADER UNGO DENOUNCES NEW GOVERNMENT

PA051558 Managua Domestic Service in Spanish 1200 GMT 5 May 82

[Text] Guillermo Manuel Ungo, president of the Revolutionary Democratic Front, FDR, of El Salvador, has charged that the new Salvadoran regime is a rehash of the old oligarchic power with the National Republican Alliance's criminal fascism directed by the interventionist U.S. government and the Salvadoran high command.

Ungo added that U.S. imperialism exerted pressured to get an acceptable reorganization that would keep the rightwing from appearing totally in control of the government and save the face of the Christian Democratic Party, PDC, which is now a subordinate subject to their political, military and economic plans. The PDC is now a shaky and narrow loincloth that cannot hide the oligarchic and fascist nudity, he said.

Ungo added that the loss of sovereignty and its relinquishment by the army high command and the Christian Democratic junta to the Reagan administration are obvious.

CONSTITUENT ASSEMBLY ELECTS VICE PRESIDENTS

PA010008 San Salvador Domestic Service in Spanish 2044 GMT 29 Apr 82

[Debate by the Salvadoran Constituent Assembly in San Salvador -- live]

[Excerpts] [Unidentified deputy, in progress] Whereas: 1. It is very important to protect the political, economic and social equilibrium of the structure of the state.

2. For this reason, it is necessary to elect three provisional vice presidents of the republic, thus increasing the number of provisional vice presidents as mentioned in Article 1, No 1, letter A of Decree No 3 of 26 April 1982. Therefore, in using its power this assembly decrees:

Article 1. The Constituent Assembly will elect three persons who, as vice presidents of the republic, will carry out their duties as first vice president, second vice president and third vice president. These vice presidents, in the order in which they are elected, will replace the president. [passage indistinct].

[Another unidentified deputy] We agree that this political decision could be disputed from a legal point of view but I feel that the Salvadoran people.... [deputy changes thought] more than laws and controversial legal aspects, are interested in seeing that little by little, their representatives, those whom they trusted on 28 March and voted for them regardless of the sacrifice, risk and danger involved in saying no to violence and subversion, in this regard I believe that the proposal to truly reflect the people's will not only here, where there are different representatives, but in the executive branch. [as heard]

I believe that if the three vice presidents are going to have equal functions and rank, there is no reason for us to get involved in the problem of giving them a correlative order. Furthermore, I honestly believe that this would precisely break the spirit of equality and unity which was somehow started this morning. My specific motion, Mr President and comrade deputies, is that we should adopt the general principle existing in the modern thesis of public administration, which holds that there should be no such system of rank. When the possibility of having a board of directors for this honorable congress was discussed, such a board was envisioned to be made up in such a way that would avoid the issue of having a first secretary or second secretary. All secretaries were to have equal rank, because the thesis of modern administration demanded it, and to do otherwise would sow artificial distinctions which would only complicate our lives. Therefore, I want to specifically propose an amendment to the motion so that the [three vice presidents] will not be ranked and to avoid the argument which could be posed by certain people who could claim that there is no correlative order as to who would assume presidential functions in the event of a temporary or definitive absence or any other legal cause for the absence of the president who was elected this morning.

[Maj Roberto d'Aubuisson] Deputy Julio Adolfo Rey Prendes has the floor.

[Rey Prendes] Mr President, comrade constituent deputies: [booing heard in the background] This afternoon, after this morning's meeting, we have come here to discuss the need to have three vice presidents so that the political parties which share the majority will have a voice together with the president of the republic.

By ranking the three vice presidents, we are practically appointing three designates to the presidency of the republic. The first, who could be of the National Conciliation Party [PCN], for example; the second, who could be from any other party and the third from any other party. [more booing heard in the background]

In this regard, I propose that it is more important that the three vice presidents have the same rank so that for example, the PCN vice president won't be higher than that of the Nationalist Republican Alliance [ARENA] or that of the Christian Democratic Party [PDC] higher than those of ARENA or the PCN. We should all have the same category in that nomination. In this way, the three vice presidents will be able to act jointly with certain powers that will be given to them later. But at this time, by ranking each vice president and then in the next article declaring that there shall be an order of succession according to the rank of each vice president, we are already determining that if anything happens, the first vice president will succeed the president of the republic.

Therefore, I move that the ranking system be eliminated and that the three vice presidents be appointed and that this honorable Constituent Assembly should be the one to elect the successor to the president of the republic at the necessary time. Thank you Mr President. [applause]

[D'Aubuisson] Deputy Rafael Moran Castaneda has the floor.

[Moran Castaneda] Mr President and comrade constituent deputies; I have heard the motions of Guillermo Antonio Guevara Lacayo and Rey Prendes on the modifications which they propose for this draft decree. However, I honestly deplore the fact that I don't agree with them because although the hierarchical order should not be taken into account at any particular moment, particularly when it is such an important position, it is a matter of discipline and order to always have this hierarchy, even if it is only for administrative matters. After all, it is a known fact that the president is the only official who is authorized to be the chief of the executive branch, as prescribed in our constitutiton.

[D'Aubuisson] Deputy Castillo [nor further identified] has the floor.

[Castillo] My intervention here is aimed at supporting the motion presented by party Comrade Guevara Lacayo. It is definitely the intention of the decision adopted this morning and proposed by this presidency to make possible the attempt at integrating and implementing a government of participation and coresponsibility. It is precisely this decision on the creation of three vice presidential positions that will implement this government of participation and coresponsibility.

The objective of the proposal is to have all three vice presidents with equal responsibilities, so that in an egalitarian way they help carry out the executive function of the next government. This is the true objective of the matter and the PDC parliamentary faction wants to remain with this objective. We do not seek any position of preeminence. We reject this concept.

[D'Aubuisson] Comrade Moran Castaneda has the floor.

[Moran Castaneda] Mr President, comrade deputies: I feel that all of the arguments have been sufficiently stated in favor and as well as against the draft decree. Therefore, I am respectfully asking you to submit it to vote. If the plenum considers that the point has been sufficiently discussed, then proceed with a vote.

[D'Aubuisson] I am asking the plenum if the point is considered as... [D'Aubuisson changes thought] Comrade Carmen Martinez Canas de Lazo has the floor.

[Canas de Lazo] Thank you, Mr President. Deputy Guevara Lacayo practically said what they want; they want the first vice president to be a PDC member. When he says that the people voted for them as a majority, I am surprised that he does not mention any percentages, because a 40 percent can never be a majority.

Although it is true [interrupted by shouts from the crowd] that...[De Lazo changes thought] if he wants to hurt the PCN when he says that we only obtained a minority, I want to tell him that we are very proud that 268,000 Salvadorans voted for the PCN.

[D'Aubuisson] As a point of order, Ricardo Alfredo Gonzalez Camacho has the floor and then the motion will be submitted for voting if the point has been sufficiently discussed.

[Gonzalez Camacho] Mr President, the discussions that I have just heard confirmed the impression that I got this morning; that the so-called consensus is far from existing. [applause] Since the clinical condition of the patient is that of a reserved diagnosis, I would say let's prepare a good autopsy for it. [applause, as heard] If there is to be a quote, consensus, unquote on this decree -- and we have already abstained from voting article 3 which sets forth this decree -- and if we want to ensure that this amendment is made according to the best technique without changing its substance...[Camacho changes thought] Regarding its substance, I want to announce that in this decree and in any other we will oppose any attempt to deprive this Constituent Assembly of any legislative powers. This is a clear and basic point for us. This decree does not state which will be the powers of the vice presidents or the State Council, or what the relationship of the vice presidents and State Council will be to the president. This is not mentioned anywhere in the decree. The decree only says that there shall be vice presidents. However, we will oppose that these gentlemen be granted powers reserved for this Constituent Assembly. In order to help improve the drafting of this decree, which is undoubtedly very good, excellent, but which can still use some corrections, perhaps in sytle only, I would suggest that this Constituent Assembly, in issuing this decree, is not acting with constitutional powers -- it is acting as a constituent power. When this assembly starts issuing legislative legislations [as heard] it will then be using the powers granted by the constitution that we have approved. But right now, it is exercising constitutional powers [as heard] so it is not using any powers granted by any constitution.

There is another matter in Article 2. It states that the Constituent Assembly confers upon itself, in its legislative function, to determine, through a special law...[discontinues quotes from the article]. I would delete the phrase referring to the legislative function, because I believe that this is entirely a constitutional matter and is not a matter of secondary legislation.

[Moran Castaneda] Fellow Deputies, I agree with the comments made by Gonzalez Camacho and I would like to propose the following wording: Article 2 would read as follows: This Constituent Assembly will determine, through a special decree, the functions of the vice presidents.

[D'Aubuisson] We have two proposals; one submitted by Guevara Lacayo, which will be read to you by the secretary, who has rewritten it, and the proposed decree with the amendments that have been requested.

[Secretary -- reading Guevara proposal] Mr Secretary of the Constituent Assembly, through you I respectfully ask that the plenary Constituent Assembly be informed of the motion that the vice presidents not have a fixed order of succession and that this assembly be responsible for choosing a replacement for the president in any case in which he is absent. I leave the final wording of my proposal up to the style committee. [signed] Guillermo Antonio Guevara Lacayo.

[D'Aubuisson] The plenum is asked to vote on the draft decree which establishes that the order of succession of the vice presidents will be from first through third vice president, with the modifications that have been proposed. The voting will be nominal and public. The secretary will call the roll. Who are in favor of the original draft decree? I yield to Rey Prendes.

[Rey Prendes] It is my understanding, Mr President, that we are voting on the proposed amendment to this article and not the entire decree. I am requesting a clarification before we proceed to vote. I understand that we are voting only on the amendment, proposed by Guevara Lacayo. If it is defeated, it is understood that we will then vote on the decree.

[D'Aubuisson] We are voting on the draft decree with the amendments proposed by Gonzalez Camacho and explained by Moran Castaneda. We will be voting to approve the draft decree.

[Rey Prendes] Mr President, I would like to say that there has been some confusion regarding the voting on decrees. Two amendments were proposed and we were voting on the amendments, not for the decree itself. Some people voted only for the decree. Pardon me, but some people said: We vote for the decree of Moran Castaneda. They did not mention the amendments. Others said: We vote for the reforms. Then there were others, for example, some companeros on the other side, who also voted for the Guevara Lacayo decree. There has been some confusion, Mr President, so I ask that the voting be repeated, please.

[D'Aubuisson] To demonstrate that the government of consensus has already begun, Mr Rey Prendes, we agree to a new vote. Those who are in favor of the decree which states that vice presidents will be ranked as first, second and third vice presidents, should state that they are voting for the Moran Castaneda decree. Those who are in favor of vice presidents without rank should say that they vote for the Guevara Lacayo bill. Mr Secretary, call the roll.

[Secretary proceeds to call roll and deputies vote]

[D'Aubuisson] Results of the voting: Moran Castaneda bill, 33 votes; Guevara Lacayo proposal, 24 votes; 3 abstentions. The bill calling for vice presidents to be ranked has been approved. With this legal matter resolved, we will now proceed to choose the vice presidents of the republic. The floor is now open for nomination of candidates for the first vice presidency of the republic. Our colleague Hugo Carrillo has the floor.

[Carrillo] I formally propose Raul Molina Martinez for the post of provisional first vice president of the republic. [applause]

[Guevara Lacayo] Mr President, deputies, it would seem that this afternoon we say one thing and do something else. Mrs Carmencita de Lazo said that we wanted the first vice president to be a Christian Democrat. [shouts and boos from the audience] Actually, to be consistent, we do not want the first vice president to be a Christian Democrat; we wanted all the vice presidents to have the same rank. That has been our position and in order to be consistent with that principle, we will lamentably have to abstain in this voting. [shouts in the background]

[D'Aubuisson] I would ask you to change your position, because the political unity that we are seeking will be achieved if the political parties support each other. This is the opportunity to show the people that we have good will. I guarantee that the deputies of the Nationalist Republican Alliance [ARENA] will vote in favor of and support the candidate that you present for vice president.

We will proceed to vote on the nomination of Raul Molina Martinez for first vice president. The secretary will call the roll. [Secretary calls roll and deputies vote]

Results of the voting: There were 33 votes in favor of Raul Molina Martinez and 27 abstentions. [applause] He is elected first vice president of the republic. Rey Prendes has the floor.

[Rey Prendes] Mr President, I would like to explain my abstention in the following terms. We agree with the choice of Raul Molina and we would have voted for him if there had been three vice presidents without any ranking, and if we had been able to arrive at a clear definition of the functions of the vice presidents. Unfortunately, we have been unable to reach any clear agreements during the past discussions. I believe that in this case, it would be difficult for the Christian Democratic Party [PDC] to present a candidate at this time. However, it reserves the right, granted to it by the plenum, to do so later, if there is no objection.

We can also say that the entire PDC faction would vote for the ARENA candidate, as well as for Raul Molina. However, we are going to be obliged to abstain once again, because of the precedence being given and because the matter of the vice presidential functions has not been clearly settled. If we were to reach an agreement on these functions, even unofficially, we would then see no difficulty about presenting a candidate, Mr President.

[D'Aubuisson] The three vice presidents are vice presidents of the republic. I believe that this was sufficiently discussed. As you know even better than I do, the vice president normally replaces the president of the republic in his absence, pursuant to the constitution. That is why we decided to outline the functions of the vice presidents later. Their rank is that of vice president of the republic. The order refers only to the line of succession to the presidency. It does not mean that one has authority over the other. We will continue with the voting to elect the second vice president. We will later have a recess to talk with you. Hugo Barrera has the floor.

[Barrera] I propose Gabriel Mauricio Gutierrez Castro. [applause]

[D'Aubuisson] If there is any other proposal for second vice president of the republic, please present it now. There being no other proposal, we will proceed with the voting. Mr Secretary, please call the roll. [Secretary calls the roll and deputies vote]

Results of the voting: There were 33 votes in favor of Gabriel Mauricio Gutierrez Castro, 27 abstentions. He has been elected as second vice president of the republic.

The board of directors and this presidency understand the position of the PDC faction. However, before calling a recess, I would like to publicly ask them a question. If the functions [of the vice presidents] are not defined in this session -- as you know they will not be -- are we then to understand that you will not present a candidate? I yield to Rey Prendes.

[Rey Prendes] I believe that the functions can be determined through agreement among the political parties, but it must be a clear agreement even if it is not done right now. I am aware that we discussed the difficulties that are involved in defining the functions just now. However, I think that it would be wise to have a recess for discussion, a brief recess in which, I think, we would be able to clearly define everything. Thank you.

[D'Aubuisson] This board of directors declares a 30-minute recess. The session is suspended.

[Broadcast of sessions from Legislative Palace resumes] [D'Aubuisson in progress]...The PDC, in hopes that it has made the proper decision for the benefit of national unity and this government of consensus. We understand that the vice president are vice presidents of the republic and that their functions will be determined later. With the participation of a vice president from each of the majority parties, each vice president, along with the other two vice presidents and the president of the republic, will be able to determine those functions so that there may be equilibrium, just as there would be equilibrium if there were one man from each party in the vice presidencies. [as heard]

There must be balanced functions and balance in the decisions that are made. Thus, I insist that our colleagues of the PDC change their position in order to achieve that which the Salvadoran people demanded on 28 March.

[Guevara Lacayo] On behalf of the PDC deputies, I wish, first of all, to change our vote regarding the first vice president Molina Martinez, giving him our vote from this moment, as well as in the case of Mauricio Gutierrez. Thus, we are changing our vote. I do not know if the procedural rules call for a new vote, but in any case, we give our vote to both of these persons in an effort to seek unity and consensus for the good of the fatherland.

At the same time, Mr President, I would like to have the honor, the pleasure and the satisfaction of proposing our candidate for vice president: (Pablo Mauricio Albergue). [applause]

[D'Aubuisson] The president and the board of directors is grateful for and recognizes the effort and the status of the PDC. (Pablo Mauricio Albergue) has been nominated for the position of third vice president. [applause] If there is no other candidate for the post of third vice president of the republic, we will proceed to the nominal, public vote. [secretary calls roll and deputies vote] Results of the voting: 34 votes in favor, 1 against, 25 abstentions. Thus (Pablo Mauricio Albergue) has been elected third vice president of the republic. [applause]

[D'Aubuisson] Since the president and the three vice presidents of the republic have been elected, a date must be set for them to assume their offices. The board of directors proposes that the president-elect and vice presidents-elect assume office on Sunday, 2 May at 1000. Those who agree to the change of command ceremony on Sunday, 2 May, at 1000 please raise their hands. It has been unanimously approved.

[Luis Nelson Segovia] I would like to ask for a waiver of procedures in order to have a decree that has been prepared submitted to the vote.

[D'Aubuisson] Read the motion.

[Nelson Segovia] San Salvador, 29 April 1982. Mr Secretary of the honorable Constituent Assembly, as deputy for San Salvador Department, we submit the motion that, on the basis of the legislative function assumed pursuant to article two of decree No 3 of 26 April, the assembly extend until 31 May the deadline for filing tax declarations and declarations of agricultural property tax and extend until 30 June, the regular period for the payment of said taxes. In view of the issue's urgency with due respect, we request the appropriate waiver of procedures. We take this opportunity to express to the secretaries and other deputies assurances of our special consideration and esteem. God, union and freedom. [signed] Ricardo Gonzalez Camacho and Luis Nelson Segovia [applause]

[D'Abuisson] Since the plenum has been asked to dispense with procedure regarding the legislative decree presented by Luis Nelson Segovia, the plenum is asked to approve a waiver of procedures. Let those who agree raise their hands. It has been approved by 60 votes.

To complete the agenda, we will schedule our next meeting. A plenary meeting is hereby scheduled for Saturday, 1 May, at 1000. This concludes this historic session through which the Salvadoran people now have a government. I trust in God that what we, the 60 deputies who have been elected by the fatherland, have decided will be the best for our fatherland. Many thanks to all, particularly to the public in attendance, for their good behavior during this session. The session is adjourned.

BOMBS EXPLODE IN SAN SALVADOR TELEPHONE BOXES

PA052119 San Salvador EL DIARIO DE HOY in Spanish 5 May 82 p 30

["National Last Minute" column]

[Excerpts] Four bombs were exploded last night in San Salvador. The bombs were placed in telephone line boxes. The police have reported that the explosions took place at approximately 0710. So far there is no report on whether or not anyone was injured as a result of the explosions.

SUBVERSIVES ATTACK TOWNS, TELEPHONE LINES

PA052013 San Salvador EL DIARIO DE HOY in Spanish 5 May 82 p 2

[Excerpts] The towns of San Martin and San Bartolome Perulapia in San Salvador Department, and Suchitoto and San Jose Guayabal in Cuscatlan Department, were attacked yesterday at dawn by subversive groups, according to military report. The harassment attacks were simultaneously carried out from 0300 to 0600 by many terrorists, some of whom wore olive green uniforms and black berets.

In the outskirts of San Martin, in Tierra Virgen villag canton La Palma, the terrorists dynamited a power plant, causing a blackout in the town. It has been reported that the other three previously mentioned towns were also left without electricity. It has been reported that there is no trouble on the road to Suchitoto because it is being well guarded. There are no details on the situation in San Jose Guayabal and San Bartolome Perulapia.

RESISTANCE LEADER INTERVIEWED ON RECENT EVENTS

AU050951 Sofia BTA in English 0827 GMT 5 May 82

[Text] Sofia, 5 May (BTA) -- "Those who are now at the place of the Christian-Democrats in the Salvadoran Government are ever more loyal and servile allies of imperialism. They are ever more devoted to its basic interests," an underground member of the joint chief staff of the "Farabundo Marti" National Liberation Front told a "RABOTNICHESKO DELO" representative. Today the newspaper interviews a leader of the Salvadoran resistance who has named himself "Comandante Jesus." He gave his interview before a Bulgarian and two Spanish journalists "somewhere in Central America."

The member of the joint chief staff -- a body which coordinates the armed moves of the different armed troops in El Salvador stresses that the so-called "elections" held on March 28 are not a basic change in the situation in El Salvador -- both the struggle of the people and the escalation of the military presence of the U.S. continues -- with or without them.

"To speak of exact results from the elections when there are no exact tickets, is at least perfunctory. The Salvadoran right-wing has longstanding traditions to represent such results which are suitable for them and the foreign observers even if they are quite unbiased, cannot embarrass them," he said.

"Comandante Jesus" points out that the photos of the lines in front of the electoral offices which have been carried in the Western press are authentic but they have been taken mainly from the capital -- San Salvador. He explains that the employees and the workers have voted because otherwise they would have lost not only their work but their life as well. Describing the maneouvres in the day of the elections "Jesus" says: "I don't want to say that the people have not voted. The figures, however are not exact."

By analysing the composition of the new Salvadoran Government he stressed that "the ideology and oligarchic interests, the representatives of which are d'Aubuisson and his men, identify with the outlook of the present U.S. Government."

At the same time he says that having in mind the international situation and the public opinion as well as the moods inside the United States, the establishment of a regime with overtly propagated fascist features in El Salvador now has not been suitable for imperialism.

To the question of how the elections have changed the conditions of the struggle of the people's forces, "Jesus" answers: "There is not a substantial change. We have been fighting for two years now and have been prepared for an escalation of the repressions. Even if the play of elections was not performed Duarte would have followed the same road. Now the wornout mask of the moderation has fallen. Our struggle continues."

In connection with the pretext of mounting U.S. interference prompted by an aid rendered by "Nicaragua, Cuba and communism in general" to the Salvadoran guerrillas, "Jesus" says: "Imperialism needs to find arguments in order to justify its aggressive policy. This is the true reason and through it the U.S. leading circles are trying to legalize before their own people the escalation of the armed interference with El Salvador."

MANAGUA REPORTS FMLN TERRORIST ACTIVITIES

PA051408 Managua Domestic Service in Spanish 0300 GMT 4 May 82

[Text] Radio Farabundo Marti, the FMLN organ, today reported on actions which were carried out by guerrilla forces during the past few hours, including the derailment of a military train. The station said that the convoy was travelling from San Vicente to Zacatecoluca, 56 km east of San Salvador, and was carrying soldiers of the Salvadoran Armed Forces engineering training center. In addition, guerrillas stationed near Santa Ana managed to seize canton Primavera, on the outskirts of this city and held a political rally during which they unmasked the fascist nature of the new Salvadoran Government.

RADIO VENCEREMOS REPORTS ON FMLN ACTIONS

U.S. Writer Eulogized

PA050029 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 4 May 82

[Text] A U.S. internationalist dies fighting alongside our people in Morazan. The U.S. people have given tangible evidence of their support for the Salvadoran people's struggle, but the clearest and most specific expression of this is given by a U.S. citizen: (Joseph David Anderson), a writer and newsman who came to El Salvador in 1980, making regular visits to the University of San Salvador, where he came in to contact with the people's organizations. He lived in Mejicanos and there he identified increasingly with the cause of the exploited, to whom he dedicated all his efforts. His first alias was (Pepe). He was later known as (Muca).

(Joseph David Anderson) became deeply involved in the Salvadoran struggle. On 10 January, he participated in the actions carried out by our people against the dictatorship in the capital. Later, he joined the Francisco Sanchez Eastern Front.

(Muca), as we called him in Morazan, carried out many tasks. He wrote reports on the war. He was a fighter and fought alongside our people in San Miguel, Gotera, Perquin, Jocoaitique and other sites on the eastern front. He also carried out an exhaustive investigation of the massacre of 1,000 peasants in Morazan and proved the criminality of the Atlacatl Battalion. He also collected specific data on U.S. participation in that operation.

While carrying out these activities, (Joseph David Anderson) was also functioning as a writer, living in the Radio Venceremos camp, where he wrote daily, preparing a book on the war of liberation in El Salvador, a work that the world will be able to read some day as a posthumous work of that heroic U.S. internationalist.

On 21 April, (Muca) accompanied the Radio Venceremos news team that was covering the Poza Honda battle. At that time, he was serving as a photographer, taking pictures of the fighting and of the 17 dead soldiers who were abandoned by the Atlacatl Battalion in that area that is under the control of the FMLN.

In the morning the enemy tried to advance against our positions. (Muca) took a position near a .50 cal machinegun to take photographs of the fighting. Minutes later, he said he wanted to be near the front lines. He was there when there was hand-to-hand fighting with the enemy. (Muca) placed his camera in his knapsack and took up a rifle, advancing in search of the enemy. He inflicted one casualty on the enemy. He later advanced along with a squad that recovered a 90mm cannon. (Muca) fell wounded amid the din of the battle. Before dying, he gave our companeros an identification card of a dead soldier, saying: This is the one that had the cannon. (Joseph David Anderson), Companero (Muca), died for the cause of the people. It was a cannon which his government, the U.S. Government, supplies to the Salvadoran dictatorship.

The solidarity of the U.S. people reached its highest expression in Morazan through this companero born in the United States but who felt the sorrow, anguish and needs of this people who are fighting for freedom.

(Joseph David Anderson) has not died. He lives among us at the time of the guerrilla [word indistinct], at the time of combat. He lives in our hearts. (Muca), friend and companero, you will also live among us in that day of victory when we will show once again that the struggle for peace and freedom does not have borders.

Army's 'Torola' Operation

PA050000 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 4 May 82

[Report by Radio Venceremos mobile unit -- live or recorded]

[Excerpts] This is Radio Venceremos transmitting directly from Las Mesas, jurisdiction of Meanguera, where our revolutionary army achieved an overwhelming victory on 1 May by putting to flight companies of the Atlacatl Battalion and a company of paratroopers, the elite troops of the dicataroship. At this time we are accompanying our revolutionary army in a search operation of this area after the enemy troops were put to flight in Las Mesas. As we have previously reported, we inflicted 30 casualties, including wounded, on the enemy and recovered 4 G-3 rifles with folding butt stocks used by the paratroopers, a [word indistinct] military communications radio and a M79 grenade launcher.

We are searching the area looking for bodies or wounded. Colonel (Monterrosa), chief of the Atlacatl Battalion, gave the order to abandon the dead and wounded in this area in view of the aggressiveness of the FMLN forces. At this time the companeros have just found the body of a soldier. We get closer to confirm this. Yes, it is a soldier wearing a t-shirt which says airborne squadron. He is one of the many dead abandoned in this battlefield on 1 May, day of new victories for our revolutionary army. At this moment Radio Venceremos is accompanying our revolutionary army which is looking for members of a company of paratroopers and the Atlacatl Battalion.

While the dictatorship and the armed forces press committee, COPREFA, announced they inflicted 100 casualties on us and that they have driven our revolutionary forces to the pockets on the border with Honduras, our people are refuting the lies of the dictatorship. In this area of Las Mesas on 1 May, our revolutionary army with a high morale and combativeness defeated the Atlacatl Battalion and a company of paratroopers which, along with the Atlacatl Battalion, was personally being directed by Colonel (Monterrosa).

In this way, our people with weapons in their hands deny the fascist propaganda that we have been put to flight. The only ones who have fled in disorder in Morazan department are the members of the Atlacatl Battalion.

This new victory by our revolutionary army on 1 May completely refutes the statements of the COPREFA, General Garcia and the dictatorships's spokesmen who say that they have won in this Torola operation, when in truth it has been a complete failure. They came to Morazan to leave their dead and wounded. From where we are standing we can see the Torola River for which the unfortunate operation of the dictatorship was named. With field glasses we can see the destroyed bridge over the Torolo River, destroyed with a U.S. made bomb dropped by the air force but which had not exploded. The ruins of that destroyed bridge are a symbol of the defeat of the dictatorship. They named the Torola operation and it ended the same way as the Torola bridge, in ruins, since our people fully carried out the slogan: The territory controlled by our people has to be respected.

U.S. Political Role Scored

PA051337 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 5 May 82

[Commentary]

[Text] The U.S. Embassy has managed to form a tossed salad cabinet consisting of mummies from the past and members of the Christian Democratic Party, who reenlisted in a cake of corruption. D'Aubuisson, chief of the death squads; Magana, a banker of the corrupt sectors; and Gen Jose Guillermo Garcia a genocidal and the strategist responsible for the defeat of the Salvadoran troops, who has been confirmed as defense minister under pressure from the U.S. Embassy, form what can be considered a death trip.

This was Garcia's reward for the military defeat of his forces in Morazan, where despite the Atlacatl Battalion, thousands of soldiers, and many helicopters and cannons, his army was defeated. Garcia's forces had 166 casualties. Our forces seized rifles, ammunition, grenade launchers, military communications equipments, a 90mm cannon, in addition to much other war materials. Garcia's forces could not advance one centimeter in the territories which were controlled by our people. His fascist forces could not destroy our Radio Venceremos.

The death trio, which was formed by D'Aubuisson, Magana and Garcia, is the traditional continuity -- with the blessing of the Christian Democratic Party -- of 50 years of military dictatorship. During the electoral campaign, D'Aubuisson used to accuse the Christian Democratic Party of corruption and, in turn, the Chrisitan Democratic Party would accuse D'Aubuisson of being an assassin and a fascist.

Selfish interests and Reagan's orders were decisive factors in having the extreme right, formed by the Nationalist Republican Alliance, ARENA, and the National Conciliation Party, PCN, agree to form a government with the participation of the Christian Democratic Party. The mummies from the Molina and Romero dictatorships are today the new ministers, who are holding hands with the Christian Democrats.

Would you say that this is what the people want? Do you think that the people are waging a heroic battle, paralyzing the country, occupying the streets and fighting, just to have a fascist government? In the face of the plans for death and genocidal war by D'Aubuisson, Magana and Garcia the FMLN urges the people to strengthen their neighborhood, district and labor centrals committee.

Every Salvadoran who wants to end the war, in order to form a democratic government in which they would have broad participation; a government that will guarantee the people's rights, the freedom of expression, the right of workers to organize -- and also a country with no political prisoners, nor half a million Salvadorans living in exile -- should fight against the fascist plan of the death trio and strive to make the FMLN a combative instrument against oppression.

The people should resort to all forms of struggle against fascism. Radio Venceremos will be transmitting the FMLN instructions to the people. We urge the people to strengthen their fighting organizations against the oligarchic-fascist alliance by supporting the revolutionary army which is winning military victories in its unhindered advance toward the conquest of peace. Salvadorans, join the anti-fascist struggle with the assurance that we are going to win.

GUATEMALA

GUERRILLAS REPORTED ACTIVE IN ESCUINTLA

PA042315 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 3 May 82

[Text] Guerrillas have been particularly active in the southern coast's department of Escuintla. On the road to Siquinala, persons in a car fired at a checkpoint set up by the police and wounded a man in a nearby gas station.

At Tiquisate, armed young men took over the Radio Campesina station, tied up the announcer and broadcast a 10-minute speech. At Palin, the EGP [Poor Peoples Guerrilla Army] acronym was painted on several homes.

HONDURAS

POSSIBLE MEETING WITH NICARAGUAN MILITARY LEADERS

PA051540 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 5 May 82

[Report by (Alfonso Anariba Calix) in San Pedro Sula]

[Text] An official source yesterday said that the commanders of the Honduran and Nicaraguan armies might meet next week. The source said that the preparations for this important meeting have begun. Nicaraguan Foreign Minister Miguel d'Escoto and Honduran Foreign Secretary Edgardo Paz Barnica reached an agreement on the convocation of such a meeting during D'Escoto's visit to Honduras. During his visit to Honduras, D'Escoto proposed a seven point plan for the improvement of relations between the two countries.

The place and date of the meetin of the armed forces leaders are thus far unknown, but it is believed that the meeting cannot be delayed any longer in view of the commitments reached between the two governments.

The San Pedro Sula newspapers have headlined this report. The newspaper TIEMPO stated: A military summit is being prepared. An official source yesterday reported that the commanders of the Nicaraguan and Honduran armies might meet next week.

PAZ BARNICA ON UPCOMING MEETING IN COSTA RICA

PA060151 Paris AFP in Spanish 2354 GMT 5 May 82

[Text] Tegucigalpa, 5 May (AFP) -- The problems of Central America will be discussed 8 May in Costa Rica, on the occasion of the inauguration of the new government of that country, by the various foreign ministers of the area, Honduran Foreign Secretary Edgardo Paz Barnica stated here today. He explained, however, that the meetings which might be held by Central American foreign ministers will take place prior to the recently announced summit meeting in which the peace proposals made by Honduras last 23 March at the OAS will be discussed.

The foreign secretary noted that at this moment dialogue among the ministers of the area is extremely important in view of the existing border conflicts which "endanger the normal development of international relations."

Paz Barnica also referred to the proposal made by Costa Rican President Rodrigo Carazo suggesting the transfer of the OAS headquarters which is now located in Washington, and to the position adopted by the United States in the Malvinas conflict, indicating that "such a stand deserves a careful and objective analysis."

Thus far the presence of Honduran President Roberto Suazo Cordova at the new Costa Rican Government's inauguration this coming Saturday has not been confirmed.

Suazo Cordova sent a message to the new Salvadoran president, Alvaro Magana, saying that he trusts that, "in line with a return to democratic order, the appropriate formulas will be found for the overall development of the peoples."

"We have followed with keen interest," the note states, "the political process of that fraternal country, where one of its principal stages culminated with your designation as president of El Salvador. This is a trying time of growing suspense when adequate solutions to the complex problems that beset the societies of our time must be found."

Furthermore, he noted that "the holding of periodic and fully guaranteed elections was a decisive factor in the process of peaceful transformations demanded by the present moment."

In the letter of congratulations sent by the Honduran president to the Salvadoran president, Suazo Cordova recalls that the peace proposal submitted on 23 March before the OAS Permanent Council is of a worldwide and regional nature and that 'it has received the total support of many countries of the continent."

Finally, he voices his wish to "strengthen, with mutual respect, the existing relations between the two Central American countries."

NICARAGUA

NUNEZ DEPLORES FALKLANDS CRISIS AT STATE COUNCIL

PA052327 Managua Domestic Service in Spanish 0254 GMT 5 May 82

[Speech by State Council President Carlos Nunez at the opening of the State Council third period of sessions, at the Ruben Dario Theater in Managua -- live]

[Excerpts] The installation of the third period of sessions of the State Council takes place under special circumstances: the state of national emergency. Therefore, we must analyze the legal and political situation under which the legislative branch is going to begin functioning, so that our work this year is fruitful and correctly aimed at facing our main problem: imperialist aggression.

Despite this situation, the democratic principles of the revolution prevail and with the support of all the nation's sectors, we can face, with more success now more than ever, all the threats and prevent aggression. We believe that the best way to win a battle is to avoid it in order to safeguard the country's future.

Apparently the implementation of the emergency laws and the functioning of the State Council seem contradictory. However, while many have harbored the idea of using the opportunity to accuse the FSLN and the revolutionary government of curtailing all freedoms and of resorting to any pretext to organize abroad the counterrevolutionary campaigns, by comparing our revolutionary government with the traditional practices carried out by the military regimes in some Latin American countries, we are proceeding to the installation of the State Council to carry on with the legislative process and to reassert the march in defense of the nation's dignity.

Honorable diplomatic corps: Our policy with regard to international relations has been based on our right to carry out our form of government without conditions and the right not to accept impositions and conditions from anyone. In other words, the state's own right to decide and implement the law without a foreign power intervening in this action. Nonetheless, we currently are facing the sad situation of foreign forces trying to impose on us the way Nicaraguans should act. They are trying through the use of force to break the people's will. We cannot deny that despite the progress made in the thorny path of international coexistence, we still have a long way to go. This is because decisions of international organizations are not complied with. In the worst cases, making use of their imperial power, they prevent the resolutions from being carried out.

The State Council, representing all social sectors, urges you, worthy representatives of the people and government, to try to increase interational solidarity to prevent the threats and aggression to our sovereignty and the suffering and destruction of our people.

We are sure that with the support of the majority of countries victory will be ours. It will be the victory for peace. [applause] A peace which we are not only seeking for ourselves, but for the peoples of the Americas and of the world. For this reason we are worried over the tragedy the Argentine people are facing defending their sovereignty as a result of the attack of a colonial power.

What is even worst is that the government of President Reagan, a member of the American community, has sided with another power, thus hurting one of the American countries, an OAS member.

The State Council of Nicaragua feels that Latin American government and legislative branches should seriously and promptly discuss the reorientation of the contents and reasons which determined the creation of the inter-American system. Its principles are crumbling because of the unilateral decision of one of its members, the United States, to support an extra-continental power. This injures Latin America's integrity. It also proves once more in a painful way the extent of U.S. imperialism's rapacious nature which does not hesitate to support attacks against our countries.

We will put forth this same position of the other legislative branches of Latin America. We also want to recommend to the junta of the Government of National Reconstruction that it include this mission in its foreign policy activities.

At the same time united under the thoughts of Simon Bolivar and of Augusto Cesar Sandino, we plan to increase our ties with Latin American countries by requesting the admittance of the State Council to the Latin American parliament and to play a more important role in the difficult tasks the Latin American people are currently facing.

GEPLACEA CONDEMNS U.S., EEC SUGAR POLICY

PA041920 Managua LA PRENSA in Spanish 29 Apr 82 pp 1, 14

[Text] The economic group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA] concluded its 16th meeting in Managua today, after adopting resolutions rejecting the trade policies of the United States and the EEC.

The GEPLACEA meeting rejected the attitude of the EEC which, "in addition to distorting the sugar market with its sugar policy for years, has now prohibited the import of any product from Argentina."

Part of the declaration says: "This measure violates the norms and practices of international law and establishes a dangerous precedent for future economic relations between countries."

GEPLACEA also rejected hostile measures such as these, which are used by developed countries as an instrument of economic coercion against developing countries. At the end of the 4-day meeting, GEPLACEA pointed out that the EEC with its refusal to join the international sugar organization is seriously harming the economies of the developing countries that produce and export sugar.

Likewise, GEPLACEA "expresses disagreement with the protectionist policy which is practiced by the United States in sugar matters; especially the possibility that a global import quota might be reestablished."

GEPLACEA also decided to prevent any increase in the volume of special stocks (surplus) or in the contribution fee (tax) paid to the United States per metric ton.

Jose Nobelo and German Sanchez, president and vice president respectively of Belize's (district) Cane Growers Association, said that Belize requested admission into GEPLACEA today, near the end of the 16th meeting.

When the Belizean delegates arrived in Nicaragua last Wednesday, they announced that they were going to request their country's admission into GEPLACEA.

Belize exports 41 percent of its sugar production to the EEC and sells the rest on the free market.

Belize's sugar exports last year were $33.7 million.

MINISTER TINOCO TO MEET WITH AREA AMBASSADORS

PA051531 Managua Domestic Service in Spanish 1200 GMT 5 May 82

[Text] Foreign Affairs Ministry sources have informed newsmen that a meeting will be held today at that Foreign Ministry between Victor Hugo Tinoco, acting foreign affairs minister; and Latin American ambassadors accredited with the Government of National Reconstruction.

Although the reason for the meeting between the Latin American diplomats and Tinoco was not officially given, there is keen interest in press circles about it because it is believed to be related to the problems caused by the British presence in the South Atlantic.

Meetings similar to the one to be held today at the Foreign Ministry have been held in other Latin American cities during the past few hours.

SANDINISTS REPORTEDLY LOSING EUROPEAN SUPPORT

PA051238 (Clandestine) Radio 15 September in Spanish to Nicaragua 0230 GMT 4 May 82

[Excerpt] The Marxist-Leninist dictatorship is about to lose European support. The mangy-dog dictators' genocidal regime is about to lose the moral and logistical support of the only friends that they might still have among European countries.

According to data obtained by our sources, there is a good chance that the former staunch supporters of the Nicaraguan commanders who usurped power might completely break their relations and might abandon their Marxist-Leninist proteges.

The Nicaraguan democratic force's intelligence services have provided data and information about certain developments, which strongly confirm these suspicions.

A few weeks ago, at a private meeting in Bonn, in the FRG, [words indistinct] new front in Central America, whose importance cannot be disregarded.

The Socialist International is one of the groups that is about to break with the criminal mangy-dog dictatorship. It is about to completely change its stand on Nicaragua's totalitarian regime and on the Marxist terrorists in El Salvador.

Figures such as Mario Soares, former Portuguese prime minister and Willy Brandt, former FRG chancellor, have been meeting with other European leaders to discuss this matter. Although their intention is quite clear, the results of these meetings may not be announced right away.

The European leaders are about to acknowledge the fact that the current Nicaraguan dictatorship is of Marxist-Leninist persuasion. The money that has been given to El Salvador's Marxist Guillermo Ungo has ended up in the hands of communist guerrillas instead of being used to wage a democratic opposition.

These developments might seem obscure to some local or foreign observers who are not very familiar with the political differences between European democracy and the Marxist regimes posing as democracies. These disclosures, however, must definitely be of great importance to the Nicaraguan people, because they would mean that the communist traitors would lose some of their few friends, in this case, the Socialist International. The declaration that is to be released by this organization will clear up the issue of what is democratic in Central America and what is openly communist. This ideological difference would be established within the most subtle of European ideological contexts.

BRIEFS

SOVIET YOUTH DELEGATION -- Fifteen members of the USSR's Komsomol organization have been received by the 19 July Sandinist Youth movement JS-19J. A friendship drive between the Komsomol, the Soviet Union's communist youth organization, and the JS-19J was inaugurated last night in Managua's (Cesar Augusto Silva) recreational center. The Soviet delegation includes 15 members of the Komsomol organization, among them a deputy to the Supreme Soviet, a film director, 3 workers and a doctor. The drive will include the exchange of experiences; painting, song and dance contests, and other activities aimed at expanding the ties of friendship between our two countries' young people. [Text] [Managua Domestic Service in Spanish 1200 GMT 4 May PA]

SOVIET AID -- The Soviet Health Ministry has told TASS in Moscow that vaccine for over one million innoculations will be sent to Nicaragua this year. These vaccinations are mainly against poliomyelitis, measles, whooping cough, and tuberculosis. [Managua Domestic Service in Spanish 0300 GMT 4 May 82 PA]

AMBASSADOR TO HUNGARY -- The Junta of the Government of National Reconstruction has appointed (Eva Conrado Flores) as Nicaraguan Ambassador to Hungary. [Managua Domestic Service in Spanish 1200 GMT 5 May 82 PA]

ST LUCIA

COMPTON'S UNITED WORKERS PARTY WINS ELECTION

FL041032 Bridgetown CANA in English 0437 GMT 4 May 82

[Text] Castries, St Lucia, 4 May (CANA) -- The middle of the road United Workers Party (UWP), led by John Compton scored a resounding win, carrying off 14 of the 17 seats in yesterday's three cornered St Lucia general election. Of the other three seats, two went to the veteran St Lucia Labour Party (SLP) and the other to George Odlum's year-old Progressive Labour Party (PLP).

The fiercely fought poll saw both the SLP and PLP leaders, ex-Foreign Minister Peter Josie and former Deputy Prime Minister George Odlum, losing their seats. Interim prime minister in the last national unity administration, Michael Pilgrim, also failed to retain his parliamentary seat. Unseated too was Winston Cenac (Soufriere), who at one stage during the politically turbulent SLP administration acted briefly as prime minister.

Ironically, his brother, first timer Neville Cenac, took the Laborie/Saltibus seat, one of the two won by the SLP. The other went to Cecil Lay, who held on to his Vieuxfort North constituency. The lone seat captured by the left leaning PLP went to Jon Odlum, brother of the party leader, the flamboyant George Odlum.

Compton won his rural Micoud South seat handsomely, mauling both his opponents. The three parties had fielded a full slate of candidates -- 51 in all -- for the election, which was triggered by the fall of the SLP government last January. The SLP, which won a landslide in the 1979 poll, was wracked by two years of infighting that eventually cut the party's five year mandate in half.

Compton Sworn In

FL052340 Bridgetown CANA in English 2312 GMT 5 May 82

[Text] Castries, St Lucia, 5 May (CANA) -- The United Workers Party's (UWP) John Compton, 55, was today sworn in as prime minister of St Lucia ahead of the other members of the cabinet which is expected to be announced by Friday. The UWP on Monday scored an overwhelming victory over the Progressive Labour Party (PLP) and the St Lucia Labour Party (SLP), taking 14 of the 17 seats in Parliament. The SLP won two and the PLP one.

This afternoon's swearing in ceremony was witnessed by top UWP members, government officials and other supporters. Shortly afterwards Mr Compton told CANA that he planned to announce his cabinet by Friday. He said he was consulting with trade unions, the Chamber of Commerce, individuals and other public and private sector organisations on the constitution of his cabinet.

"We have to cash in on the tremendous amount of popular support which has been shown by the elections, so that we need to mobilise much of the talent that is available outside the party," Mr Compton said. The UWP leader said that he planned to reduce the number of government ministries as it cost close to one million dollars (1 EC dollar : 37 cents U.S.) to establish a ministry and about nine months before it works efficiently. "We cannot now afford the burden of another ministry and instead I will be reducing on the number used by the previous government, so that we can streamline our administration," he added.

Mr Compton said he would present further details of his plan when he addresses the nation on radio and television tomorrow evening.

BOLIVIA

RADIO REPORTS APPROVAL OF NEW ENVOY TO ARGENTINA

PY051138 La Paz Radio Illimani Network in Spanish 1100 GMT 5 May 82

[Summary] The Argentine Government has reported that it has approved the appointment of Gen (Luis Antonio Reque Teran Castro) as Bolivian ambassador to Argentina.

CHILE

FOUR COMMUNISTS SENTENCED TO BANISHMENT

PY051948 Santiago Chile Domestic Service in Spanish 1100 GMT 5 May 82

[Text] The Antofagasta Court of Appeals has confirmed a banishment sentence for four active members of the proscribed Communist Party. A similar sentence has been passed down previously by Judge (Helvetia Castellon), who was in charge of investigations related to the arrest of the cell.

(Carlos Washington Lopez Vilas), 58 years old, was banished to Carahue for 2 years; (Patricia Margarite Gomez Aguirre), 29, to La Cal for the same period of time; (Eladio Aguilar Martinez), 44, to Talcahuano also for 2 years and (Elsa Maria Tiape Ayaviri), 33, to Chancon for 2 years.

It was established that the first of these persons was in charge of reorganizing the Communist Party in Antofagasta, for which he got in contact with the other three extremists.

(Lopez Vila) has a thick police record of political crimes starting from 1953.

AFP REPORTS GABRIEL VALDES ELECTED PDC LEADER

PY040839 Paris AFP in Spanish 1534 GMT 25 Apr 82

[Text] Santiago, 25 Apr (AFP) -- Former Foreign Minister Gabriel Valdes Subercaseaux has assumed the leadership of the opposition Christian Democratic Party [PDC] of Chile, PDC sources reported today.

Valdes, who is linked to leftist sectors, defeated Claudio Orrego, a sociologist and former congressman, who was supported by the center-right sector which had been led by the late President Eduardo Frei, who died this year.

The new PDC leader, a UN official until last year and foreign minister during the Frei administration (1964-1970), will replace Tomas Reyes, who was designated PDC leader when Andres Zaldivar was expelled from the country by the military government of Gen Augusto Pinochet in October 1980.

Although Chilean political parties are either dissolved, in recess or proscribed according to the law, they all engage in underground or covert activities.

URUGUAY

FOREIGN MINISTER VALDEZ LEAVES FOR MIDDLE EAST

PY051536 Montevideo Radio El Espectador Network in Spanish 1450 GMT 5 May 82

[Relay from Carrasco Airport]

[Text] The Uruguayan Air Force plane which will take Foreign Minister Estanislao Valdez Otero to Buenos Aires, where he will take a commerical flight to Israel, Egypt and the Sinai, has just taken off.

[words indistinct] The minister told El Espectador that despite his trip he will closely follow the reports concerning the developments at the General Secretariat of the 20th meeting of the OAS consultative organ of the Inter-American Reciprocal Assistance Treaty -- TIAR. He added that he will continue trying to contribute to a peaceful solution of the grave South Atlantic conflict, something the entire American community is hoping for.

[Begin Valdez recording] Before leaving for Israel and Egypt, on a trip undertaken in compliance with previous commitments, I want to stress the importance of our bilateral relations with those two countries, relations which are important as such and as an expression of the current Uruguayan international presence, conveyed in that region by the Uruguayan participation in the international Sinai peace-keeping force.

Since I returned from Washington I have remained in continuous touch with the general secretariat [words indistinct] of foreign ministers of the TIAR, closely following both the news concerning that organ and the developments which may take place at the initiative of one or more countries of the system, in order to make the necessary decisions. Naturally, wherever I am I will continue trying to contribute to a peaceful settlement of the grave South Atlantic conflict, something the entire American community is hoping for, and I will be willing, both personally and as a representative of my country to take all the necessary steps to reach a solution based on peace and law, as is being requested by the international community. [end recording]

SURINAME

PRIME MINISTER PROMISES 'NEW DEMOCRACY' PLANS

PM051547 Rotterdam NRC HANDELSBLAD in Dutch 3 May 82 p 4

[ANP dispatch: "Paramaribo Will Have National Assembly Within 2 Years"]

[Text] Paramaribo, 3 May -- Within the next 2-year government period there will be a national assembly in Suriname as "the highest organ of popular power." Prime Minister Henry Neyhorst's government takes this as one of its objectives in the government declaration made public on Saturday [1 May]

The point of departure for the Cabinet's policies in the next 2 years is the "expansion of the new democracy in Suriname, which puts each citizen at every social level in a position to determine the country's revolutionary reconstruction," the declaration states. Representative organizations will be able to take part in the revolutionary reconstruction of society, the declaration went on to say.

In its declaration the Suriname Government sets itself the goal of combating and eliminating (neo) colonialism, discrimination and servility to imperialism.

Foreign aid is welcome, but whenever political conditions are attached to this aid it will not be accepted. Foreign policy will be based on the principle of nonalignment.

Through the accelerated implementation of all existing projects and programs the government intends to increase national production, and here the emphasis will fall on the development of agriculture, fisheries, forestry, mining and the energy sector.

The government declaration also announced the establishment of a so-called monitoring bureau, which will follow projects under the day-to-day supervision of the prime minister. This bureau, which is directly connected with the policy center, will be able to at all times indicate where there is unexploited manpower and material resources, Neyhorst said.